

Patricia M. French
Senior Attorney



300 Friberg Parkway
Westborough, Massachusetts 01581
(508) 836-7394
(508) 836-7039 (facsimile)
pfrench@nisource.com

March 15, 2006

VIA HAND DELIVERY
Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re: D.T.E. 06-GAF-O1 - Cost of Gas Adjustment – Off peak Period Gas Adjustment
Factors for the Period May 2006 through October 2006; 2005 Reconciliation

Dear Secretary Cottrell:

Enclosed herewith on behalf of Bay State Gas Company ("Bay State" or "the Company") is one copy of the Report and Schedules prepared by and under the supervision of Joseph A. Ferro, Manager, Regulatory Policy. Bay State accordingly seeks approval of its Gas Adjustment Factors (GAFs) applicable to Firm Sales Service rate classes and Local Distribution Adjustment Factors (LDAFs) applicable to both Firm Sales and Transportation Service rate classes for the Off-peak Period. Approval by the Department of Telecommunications and Energy ("Department") may be provided pursuant to the Standard Cost of Gas Adjustments Regulations, 220 C.M.R. 6.12 and the Company's Cost of Gas Adjustment Clause ("CGAC"), M.D.T.E. No. 36. Please note Bay State files this material under the Procedural Memorandum issued by the Department and dated March 7, 2006.

The Report and Schedules supporting the GAFs and LDAFs are contained in Volume 1 of 2 of the filing. Included in the Company's filing as Volume 2 of 2 is Bay State's Invoice Reconciliation, which contains copies of all invoices pertaining to the Off-peak Period of May 2005 through October 2005. This material is confidential. Accordingly, the filing is accompanied by Bay State's Motion for Confidential Treatment and Volume 2 of 2, in its entirety, has been filed directly with Carol Pieper, Esq., designated by the Department as the Hearing Officer for this proceeding, in a separately sealed envelope identified by the words CONFIDENTIAL MATERIALS ENCLOSED.

If you have any questions or need additional information, please do not hesitate to call me at (508) 836-7394 or Joseph A. Ferro, Manager, Regulatory Policy, at (508) 836-7273.

A copy of this letter is provided. Please date stamp and return it for our files.
Thank you for your attention to this matter.

Very truly yours,

Patricia M. French

Enclosures

cc: Carol Pieper, Esq., Hearing Officer, DTE (2 copies of Public Filing and one copy of Confidential Materials)
George Yiankos, Director, Gas Division, DTE (3 copies of Public Filing)
Andreas Thanos, Assistant Director, Gas Division, DTE (Public Filing)
Joseph Rogers, Assistant Attorney General (Public Filing)

**Off-peak Period Gas Adjustment Factors (GAFs)
Applicable to Firm Sales Service Rate Classes
and Local Distribution Adjustment Factors (LDAFs)
Applicable to Firm Sales and Transportation Service Rate Classes
for the Period
May 2006 through October 2006
March 15, 2006**

**Prepared By: Joseph A. Ferro
Manager, Regulatory Policy
Bay State Gas Company**

Bay State Gas Company presents for filing its class specific Off-peak Period Gas Adjustment Factors (GAFs) applicable to Firm Sales Service rate classes for the period May 2006 through October 2006. These GAFs are presented in Section 2, which is the Standardized Form II that summarizes the Company's forecasted Off-peak Period demand and commodity costs, along with the associated gas cost factors, working capital factors, reconciliation adjustment factors, and bad debt factor for each rate class. Section 2 also presents the Off-peak Period Local Distribution Adjustment Factors (LDAFs) for each rate class, applicable to both Firm Sales and Transportation Service rate classes.

Section 3 – Summary of Gas Costs: shows the forecasted demand and commodity costs. Pages 1 and 2 reflect forecasted costs by applying supplier rates to each of the forecasted resources. Pages 3 through 7 reflect the allocation of forecasted costs to peak and off peak periods, then to the high and low load factor sales customers and non-grandfather transportation customers. The Simplified Market Based Allocation (SMBA) model, which was approved by the Department at D.T.E. 05-27, is used for the allocation of demand and commodity costs between the two groups of customers. The commodity charges are indexed to the NYMEX Natural Gas Futures prices as of March 6, 2006. Canadian supplies generally include one or more differentials derived by Bay State Gas. The variable pipeline charges reflect the currently effective usage rates of the pipelines applied to the quantities forecasted to be delivered on the upstream pipelines, which are then added to the supplier commodity costs, deriving the city gate costs.

Section 4 – Sales Summary: shows the Company's forecasted sales and transportation volumes for the period May 2006 through October 2006 of 11,007,485 MMBtu. Page 2 shows that these forecasted volumes are 1.0% greater than normalized actual sales and transportation volumes for the previous Off-peak Period of May 2005 through October 2005.

Section 5 – Reconciliation: contains the reconciliation of the Company's 2005 Off-peak Period gas costs. The reconciliation indicates an under-collection of demand charges in the amount of \$1,805,456 resulting in a Demand Account Reconciliation Adjustment rate of \$0.265 per MMBtu; an under-collection of production and storage ("P&S") costs of \$133,127, generating a P & S Reconciliation Adjustment rate of \$0.020 per MMBtu; and an under-collection of commodity costs in the amount of \$7,239,130, resulting in a Commodity Account Reconciliation Adjustment rate of \$1.063 per MMBtu. These Reconciliation Adjustment rates are reflected on Standardized Form II, summarizing the calculation of the rates.

Section 6 – Working Capital: contains the calculation of the Off-peak Period Working Capital factors related to demand and commodity costs.

Section 7 – Refunds: provides for the derivation of the Supplier Refund portion of the proposed rates. Since the Company has not received any new refunds, the new Unit Refund (R1) is zero. The previous Unit Refund (R2) of \$0.0020 per MMBtu that became effective November 1, 2005 remains in effect through October 2006.

Section 8 – Bad Debt: shows the derivation of the Bad Debt factor.

Section 9 – DSM Filing: contains the DSM conservation rates being filed in March 2006 under a separate letter to the Department.

Section 10 – Remediation Charges: shows the calculation of the Remediation Adjustment Cost ("RAC") charge rate for the period May 2006 through April 2007.

Section 11 – Interruptible Transportation: shows the calculation of the Off-Peak Period Interruptible Transportation ("IT") Margin factor. The Company has had no IT activity recently or projected for the twelve months ending October 31, 2006. The Off-peak Period reconciliation balance was transferred to the RAC reconciliation in August 2005 since no billable rate could be developed. A small balance exists for the Peak Period, which will be transferred as well to the RAC reconciliation for the Peak Period CGA filing.

Section 12 – Exogenous Factor: shows the Exogenous Factor Cost ("EFC") charges, by rate class category, as part of the Company's LDAF. The proposed EFCs reflect the remaining uncollected Lost Base Revenue ("LBR") approved by the Department in D.T.E 04-57 and D.T.E 04-93 as exogenous costs. The EFC recovery rates are designed to recover the balances of these exogenous costs by October 2006. Any remaining balance will be rolled into the respective Conservation Charge effective May 1, 2007.

Section 13 – Pension/PBOP Expense Factor: provides for the recovery of the Company's Pension and Post Retirement Benefits Other Than Pension costs through the LDAC. The Pension/PBOP Expense Factor ("PEF") was approved by the Department at D.T.E. 05-27

and became effective December 1, 2005 with Bay State's new base rates. The PEF is being revised reflecting actual balances as of January 2006 and new forecasted firm sales and transportation volumes for the Off-peak Period May 2006 through October 31, 2006

Section 14 – Residential Assistance Adjustment Factor: provides for the recovery of the reduced revenue as a result of the low income discount given residential customers under rate schedules R-4, Residential Heating – Low Income, and R-2, Residential Non Heating – Low Income (Monthly and Bi-Monthly billing.) The Department in D.T.E. 05-27 approved recovery of Bay State's low-income discounted revenue and requires that recovery will coincide with the calculation of the LDAC and will be fully reconciling. The Residential Assistance Adjustment Factor ("RAAF") became effective December 1, 2005. The RAAF is being revised to reflect the actual balance as of January 2006 and projected discounted revenue amount through October 2006 and updated forecasted volumes for the Off-peak Period May 2006 through October 2006.

Section 15 – Rate Comparisons: contains typical bill analyses, which compare monthly, Off-peak Period bills for all rate classes, at Bay State's proposed May 2006 rates with those in effect from May 2005 through October 2005. The analyses also provide annual bill comparisons reflecting the rates in effect during the most current year, November 2005 through October 2006 with the past year, November 2004 through October 2005. Of note is the bill impact of the typical residential heating customer shown on the first page of Section 15. This typical customer, using 1,250 therms a year, of which 318 therms of use falls in the Off-peak Period, is expected to experience a 12.73% bill increase for the May 2006 through October 2006 Off-peak Period, or an increase of \$9.35 a month. Please note that the increase is the result of the change in the Off-peak Cost of Gas and Bay State's base rate increase effective December 1, 2005 as approved by the Department in D.T.E. 05-27. The December 1, 2005 base rate increase fully impacted the 2006 Off-peak Period, while it had no impact on the 2005 Off-peak Period. Considering that the rate change resulting from D.T.E. 05-27 impacted the Off-peak Residential Heating class total bill by approximately an 11% increase¹, the Company estimates that the bill impact due to the change in gas costs from the 2005 to 2006 Off-peak Period for a residential heating customer is approximately 1.7% (12.7% - 11%).

Section 16 – Reconciliation Filing: reflects the reconciliation of all gas costs and components of the LDAC factors for the Off-peak Period May 2005 through October 2005.

¹ According to the Company's Interim Compliance Filing dated December 9, 2005, Tab G – Rate Design worksheet, page 13, the Residential Heating class annual total revenue increase is 0.46%. The 0.46% increase is comprised of an Off-peak Period increase of 11% and a Peak Period decrease of 2%.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

BAY STATE GAS COMPANY

)
)
)
D.T.E. 06-GAF-O1

**MOTION OF BAY STATE GAS COMPANY
FOR PROTECTIVE TREATMENT**

NOW COMES Bay State Gas Company (“Bay State”) and respectfully requests that the Department of Telecommunications and Energy (“Department”) grant it protection from public disclosure over certain confidential, competitively sensitive and proprietary information submitted in this proceeding and in accordance with G.L. c. 25, sec. 5D. In addition, Bay State states that this material is not and will not be available in the public domain.

1. Bay State seeks protection over Volume 2 of 2 filed to support invoices provided to justify its 2005 Off-Peak Reconciliation in the above proceeding.
2. In summary, these invoices provide detailed gas supply cost and portfolio information for commodity and demand costs that are competitively negotiated by Bay State, as well as the timing of those purchases. The invoices also contain private financial information related to these confidential commercial transactions, such as wire accounts, bank account numbers and account transfer details. This financial information pertains to both Bay State and its counterparties to commodity and demand transactions that serve Bay State’s customers. Bay State seeks protection over this information.

3. Because the invoices contain pricing information that constitutes confidential and competitively sensitive business information, and cannot be extracted from Volume 2 of 2, Bay State seeks protection for Volume 2 of 2, consistent with the protection commonly granted by the Department to semi-annual cost of gas adjustment filings.

4. G.L. c. 25, sec. 5D is specifically designed to protect against disclosure of competitively sensitive information. That provision, in part, provides

[T]he [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which protection is sought is public information and the burden shall be upon the proponent of such protection to prove the need for such protection. Where such a need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

G.L. c. 25, sec. 5D. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and the specific reasons why disclosure of the disputed information benefits the public interest. Berkshire Gas Co., D.P.U. 93-187/188/189/190 at 16 (1994). The utility must show need by a specific factual demonstration and with respect to price terms, must show the manner in which the price term is competitively sensitive. Id.

5. With regard to gas supply acquisition and portfolio design, Bay State, natural gas marketers and natural gas suppliers operate in a competitive environment that requires competitive negotiation of each contract. The cost and negotiable terms of Bay

State's supply arrangements are never disclosed because doing so may undermine Bay State's future negotiating position.

6. Bay State's Off-Peak CGA filing must demonstrate its compliance with the Department's rules for justifying its Reconciliation, which includes providing invoices to justify the costs incurred. In order to provide the requested information, Bay State must disclose Bay State's confidential information relative to the loads delivered and to what delivery point, the pricing and the timing of commodity and demand provided by the suppliers serving the Bay State portfolio. This confidential, commercially sensitive and proprietary information is the type of information the Department may protect from public disclosure pursuant to G.L. c. 25, sec. 5D and is the type of information that the Department has previously recognized is appropriate for protection.

7. The invoices and the competitively sensitive commodity information are not available at any time in the public domain, whether for spot or shorter term purchases or for longer term purchases. Moreover, these suppliers and marketers that serve as Bay State's counterparties are not part of the instant docket. They are unable to seek protection on their own behalf but would certainly seek such protection if they were parties.

8. The Department has previously granted protective orders over pricing information in order to avoid informing the market of distribution company pricing strategy; portfolio design and results from negotiations, which if divulged, could weaken

a utility's bargaining position and potentially increase the cost of procuring supplies for Bay State and its customers. See, e.g. Colonial Gas Co., D.P.U. 96-18 at 4 (1996) (protected pricing terms in gas supply contract, including all reservation fees and demand charges, commodity charges and other pricing information).

9. Disclosure of Bay State's invoices that divulge commodity price information may jeopardize Bay State's current and future negotiations to obtain the lowest pricing for its gas supplies. This confidential, commercially sensitive and proprietary information is the type of information the Department may protect from public disclosure pursuant to G.L. c. 25, sec. 5D and is the type of information that the Department has previously recognized is appropriate for protection.

10. Private financial information, such as bank account and wire transfer numbers, is not vital information to be disclosed to the public in order to justify the reconciliation. In addition, it is appropriate to protect this private information because of the potential for misuse. Since the public's need for this private financial information cannot be demonstrated, protection of this information is appropriate in light of the potential for misuse.

11. Protection over this information is appropriate pursuant to Chapter 25, section 5D of the General Laws of Massachusetts.

WHEREFORE, Bay State Gas Company respectfully requests that the Department of Telecommunications and Energy grant its Motion for Protective

Treatment as stated herein, and protect from public disclosure Volume 2 of 2 of Bay
State's filing in D.T.E. 06-GAF-O1.

Respectfully submitted,

BAY STATE GAS COMPANY

By its attorney,

Patricia M. French
NISOURCE CORPORATE SERVICES COMPANY
300 Friberg Parkway
Westborough, MA 01581
(508) 836-7394
fax (508) 836-7039

DATED: March 15, 2006

TAB 2
Summary of Rates

OFF PEAK

BAY STATE GAS COMPANY
Summary of Off Peak Rates
November 2006 through April 2007
FORM II
Effective May 2006

Section 2

Line		HLF Rate Classes				LLF Rate Classes			
No.	<u>Firm Sales Service</u>	All HLF	Residential Non-Heat	Outdoor Lighting	All Other HLF	All LLF	Residential Heat	All Other LLF	<u>Total</u>
1	Off Peak Demand Costs - Section 3	\$807,632				\$4,348,198			\$5,155,830
2	Forecasted Sales (MMBtu) - Section 4	1,329,782				5,479,113			6,808,895
3	Unit Off Peak Demand Cost (Ln 1 divided by Ln 2)	\$0.6073	\$0.6073	\$0.6073	\$0.6073	\$0.7936	\$0.7936	\$0.7936	
4	Reconciliation Adjustment - Section 5	\$0.2650	\$0.2650	\$0.2650	\$0.2650	\$0.2650	\$0.2650	\$0.2650	
5	Reconciliation Adjustment - Production & Storage - Sect 5	\$0.0200	\$0.0200	\$0.0200	\$0.0200	\$0.0200	\$0.0200	\$0.0200	
6	Working Capital Factor - Section 6	(\$0.0030)	(\$0.0030)	(\$0.0030)	(\$0.0030)	(\$0.0030)	(\$0.0030)	(\$0.0030)	
7	Total Off Peak Demand Factor (DFp) (Ln. 3 thru 6)	\$0.8893	\$0.8893	\$0.8893	\$0.8893	\$1.0756	\$1.0756	\$1.0756	
8									
9	Off Peak Commodity Costs - Section 3	\$10,444,650				\$44,701,880			\$55,146,530
10	Forecasted Sales (MMBtu) - Section 4	1,329,782				5,479,113			6,808,895
11	Unit Off Peak Commodity Cost (Ln 9 divided by Ln 10)	\$7.8544	\$7.8544	\$7.8544	\$7.8544	\$8.1586	\$8.1586	\$8.1586	
12	Reconciliation Adjustment - Section 5	\$1.0630	\$1.0630	\$1.0630	\$1.0630	\$1.0630	\$1.0630	\$1.0630	
13	Working Capital Factor - Section 6	\$0.0750	\$0.0750	\$0.0750	\$0.0750	\$0.0750	\$0.0750	\$0.0750	
14	Total Off Peak Commodity Factor (CFp) (Ln. 11 thru 13)	\$8.9924	\$8.9924	\$8.9924	\$8.9924	\$9.2966	\$9.2966	\$9.2966	
15									
16	Unit Supplier Refund R1 May - Section 7	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
17	Unit Supplier Refund R2 Nov - Section 7	(\$0.0020)	(\$0.0020)	(\$0.0020)	(\$0.0020)	(\$0.0020)	(\$0.0020)	(\$0.0020)	
18	Bad Debt Charge - Section 8	\$0.2490	\$0.2490	\$0.2490	\$0.2490	\$0.2490	\$0.2490	\$0.2490	
19	Off Peak Gas Adjustment Factor (GAFp) (Ln 7 + 14 thru 18)	\$10.1287	\$10.1287	\$10.1287	\$10.1287	\$10.6192	\$10.6192	\$10.6192	
20	GAF Rate per Therm (Line 19 divided by 10)	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0619	\$1.0619	\$1.0619	
21									
22	DAF								
23	Conservation Charge -Section 9		\$0.0012	\$0.0000	\$0.0109		\$0.0091	\$0.0109	
24	Remediation Charge - Section 10		\$0.0037	\$0.0037	\$0.0037		\$0.0037	\$0.0037	
25	Interruptible Transportation - Section 11		\$0.0000	\$0.0000	\$0.0000		\$0.0000	\$0.0000	
26	Exogenous Factor - Section 12		\$0.0028	\$0.0000	\$0.0012		\$0.0014	\$0.0012	
27	Pension/PBOP Factor - Section 13		\$0.0133	\$0.0133	\$0.0133		\$0.0133	\$0.0133	
28	Residential Assistance Adjustment Factor - Section 14		\$0.0126	\$0.0126	\$0.0126		\$0.0126	\$0.0126	
29	DAF Rate per Therm (Lines 23 thru 28)		\$0.0336	\$0.0296	\$0.0417		\$0.0401	\$0.0417	
30									
31	Total Off Peak Adj. per Therm (Line 20 plus 29)		\$1.0465	\$1.0425	\$1.0546		\$1.1020	\$1.1036	

TAB 3
Summary of Gas Costs

BAY STATE GAS COMPANY
Annual Summary of Sendout and Gas Costs
Normal Weather May 2006 through April 2007
Effective May 2006

Section 3
Page 1 of 7

Line		Sendout	Commodity &
No.	<u>Supply Source</u>	<u>Volumes</u>	<u>Transport Costs</u>
1	Pipeline		
2	GSGT PNGTS Deliveries	3,665,059	
3	GSGT TGP Deliveries	6,775,816	
4	AGT FT Deliveries	5,680,219	
5	Total GSGT & AGT	16,121,094	\$158,137,387
6	Tennessee @ Dracut	4,506,790	\$42,118,381
7	Hubline	4,899,066	\$41,331,373
8	Other	0	\$0
9	Other	0	\$0
10	Other	0	\$0
11	Total Pipeline	25,526,950	\$241,587,141
12	Storage		
13	TGP FS Stg	1,130,579	\$8,857,590
14	National Fuel Stg	1,002,728	\$7,778,825
15	Dominion Stg	1,352,394	\$10,637,018
16	TETCO Stg (SS1, FSS)	1,502,941	\$11,955,185
17	MCN Stg	2,252,938	\$17,753,222
18	Other	0	\$0
19	Other	0	\$0
20	Total Storage	7,241,580	\$56,981,840
21	Peaking		
22	Supplier 1	5,900,156	\$67,546,480
23	Local LNG	1,593,781	\$13,795,128
24	Propane	51,730	\$517,300
25	Other	0	\$0
26	Other	0	\$0
27	Other	0	\$0
28	Total Peaking	7,545,667	\$81,858,908
29	Other - LNG Boiloff	479,360	\$4,314,240
30	Total Other than Pipeline	15,266,607	\$143,154,988
31	Total Sendout	40,793,557	\$384,742,130
32	Interruptible (Incl. Above)	316,355	\$2,882,439
33	Company Use (Incl. Above)	1,535,019	\$0
34	Total (without Inter & Co Use)	38,942,183	\$381,859,691
35			
36	Total Allocated to Sales Off Peak (Page 5, Line 9)		\$55,146,530
37	Total Allocated to Non-Grndf Trans Off Peak (Page 5, Line 9)		\$10,425,256
38	Total Allocated to Sales Peak (Page 7, Line 9)		\$285,612,045
39	Total Allocated to Non-Grndf Trans Peak (Page 7, Line 9)		\$30,675,860

BAY STATE GAS COMPANY
Annual Summary of Sendout and Gas Costs
Normal Weather May 2006 through April 2007
Effective May 2006

Section 3
Page 2 of 7

Line No.	Supply Source	MDQ, Dt	Product Demand	Pipeline Demand	Storage Demand	Total Demand Cost
1	Pipeline					
2	Algonquin		\$0	\$4,440,335	\$0	\$4,440,335
3	Tennessee		\$49,585	\$6,170,672	\$0	\$6,220,257
4	Algonquin (Hubline)		\$0	\$1,678,992	\$0	\$1,678,992
5	Texas Eastern		\$0	\$6,665,021	\$0	\$6,665,021
6	Tetco		\$0	\$0	\$0	\$0
7	Transco		\$0	\$43,737	\$0	\$43,737
8	Texas Gas		\$0	\$0	\$0	\$0
9	Iroquois		\$0	\$2,307,665	\$0	\$2,307,665
10	Transfer: Tennessee		\$0	\$0	\$0	\$0
11	Granite		\$0	\$934,517	\$0	\$934,517
12	PNGTS		\$1,881,600	\$7,807,958	\$0	\$9,689,558
13	Other		\$0	\$0	\$0	\$0
14	Other		\$0	\$0	\$0	\$0
15	Other		\$0	\$0	\$0	\$0
16	Other		\$0	\$0	\$0	\$0
17	Total Pipeline	146,964	\$1,931,185	\$30,048,897	\$0	\$31,980,082
18	Storage					
19	Dominion			\$0	\$584,195	\$584,195
20	Texas Eastern			\$0	\$2,083,824	\$2,083,824
21	Algonquin			\$0	\$4,122,820	\$4,122,820
22	National Fuel			\$0	\$828,912	\$828,912
23	Tennessee			\$0	\$2,517,562	\$2,517,562
24	MCN			\$0	\$3,220,576	\$3,220,576
25	PNGTS			\$0	\$3,684,219	\$3,684,219
26	Granite			\$0	\$296,250	\$296,250
27	Total Storage	82,555		\$0	\$17,338,358	\$17,338,358
28	Peaking Excluding Local Prod					
29	Supplier 1		\$4,440,000	\$0	\$0	\$4,440,000
30	Transfer: Mass Power		\$0	\$0	\$0	\$0
31	Other		\$0	\$0	\$0	\$0
32	Other		\$0	\$0	\$0	\$0
33	Other		\$0	\$0	\$0	\$0
34	Total Peaking	48,000	\$4,440,000	\$0	\$0	\$4,440,000
35						
36	Total Capacity Costs	277,519	\$6,371,185	\$30,048,897	\$17,338,358	\$53,758,440
37						
38	Total Allocated to Sales Off Peak (Page 4, Line 4)					\$5,009,873
39	Total Allocated to Non-Grndf Trans Off Peak (Page 4, Line 4)					\$806,717
40	Total Allocated to Sales Peak (Page 6, Line 4)					\$44,970,373
41	Total Allocated to Non-Grndf Trans Peak (Page 6, Line 4)					\$2,971,477

BAY STATE GAS COMPANY
Annual Summary of Sendout and Gas Costs
Normal Weather May 2006 through April 2007
Effective May 2006

Section 3
Page 3 of 7

Line No.	<u>Supply Source</u>	<u>Sendout Volumes</u>	<u>Variable Cost</u>	<u>Commodity & Transport Costs</u>	<u>Total Demand Cost</u>	<u>Total Cost</u>	<u>Total Cost Per Unit</u>
1	Total Pipeline	25,526,950	\$9.4640	\$241,587,141	\$31,980,082	\$273,567,223	\$10.7168
2							
3	Total Storage	7,241,580	\$7.8687	\$56,981,840	\$17,338,358	\$74,320,198	\$10.2630
4							
5	Total Peaking	7,545,667	\$10.8485	\$81,858,908	\$4,440,000	\$86,298,908	\$11.4369
6							
7	Other - LNG Boiloff	479,360	\$9.0000	\$4,314,240		\$4,314,240	\$9.0000
8							
9	Total Gas Costs	40,793,557	\$9.4314	\$384,742,130	\$53,758,440	\$438,500,570	\$10.7493

BAY STATE GAS COMPANY
MBA Load Factor Specific Allocated Costs
Summary of Gas Costs - Off Peak Demand
Effective May 2006

Section 3
Page 4 of 7

Summary of CGA Off Peak Demand Costs

Line No.	<u>Description of Costs</u>	<u>Off Peak Sales HLF</u>	<u>Off Peak Sales LLF</u>	<u>Total Off Peak Firm Sales</u>	<u>Off Peak Non-Grndf Trans HLF</u>	<u>Off Peak Non-Grndf Trans LLF</u>	<u>Tot Off Peak Non-Grndf Trans</u>
1	Base Demand Costs	\$706,749	\$2,090,078	\$2,796,827	\$587,027	\$99,586	\$686,613
2	Remaining Pipeline & Other Demand Costs	\$94,641	\$2,118,405	\$2,213,046	\$24,275	\$95,829	\$120,104
3							
4	Sub-Total Off Peak Demand Costs	\$801,390	\$4,208,483	\$5,009,873	\$611,302	\$195,415	\$806,717
5							
6	Less: Capacity Release	\$8,523	\$190,776	\$199,299	\$2,186	\$8,630	\$10,816
7							
8	Charges Allowable for Working Capital	\$792,867	\$4,017,707	\$4,810,574	\$609,116	\$186,785	\$795,901
9							
10	Less: Interruptible Margins	\$1,056	\$23,642	\$24,699	\$271	\$1,069	\$1,340
11							
12	Production & Storage	\$15,821	\$354,134	\$369,955	\$2,708	\$10,691	\$13,400
13							
14	Total Off Peak Demand	\$807,632	\$4,348,198	\$5,155,830	\$611,554	\$196,406	\$807,960
15	(Off Peak Form II, Ln. 1)						

BAY STATE GAS COMPANY
MBA Load Factor Specific Allocated Costs
Summary of Gas Costs - Off Peak Commodity
Effective May 2006

Section 3
Page 5 of 7

Summary of CGA Off Peak Commodity Costs

Line No.	Description of Costs	Off Peak Sales HLF	Off Peak Sales LLF	Total Off Peak Firm Sales	Off Peak Non-Grndf Trans HLF	Off Peak Non-Grndf Trans LLF	Tot Off Peak Non-Grndf Trans
1	Base Commodity Costs	\$9,476,524	\$28,032,719	\$37,509,243	\$7,870,882	\$1,335,726	\$9,206,608
2	Remaining Pipeline & Other Commodity Costs	\$1,527,017	\$18,322,161	\$19,849,177	\$556,956	\$1,204,665	\$1,761,621
3							
4	Sub-Total Off Peak Commodity Costs	\$11,003,541	\$46,354,879	\$57,358,420	\$8,427,838	\$2,540,391	\$10,968,229
5	(Charges Allowable for Working Capital)						
6							
7	Less: Non-Core Commodity Costs	\$558,890	\$1,653,000	\$2,211,890	\$464,212	\$78,762	\$542,974
8							
9	Total Off Peak Commodity Costs	\$10,444,650	\$44,701,880	\$55,146,530	\$7,963,626	\$2,461,630	\$10,425,256
10	(Off Peak Form II, Ln. 9)						

BAY STATE GAS COMPANY
MBA Load Factor Specific Allocated Costs
Summary of Gas Costs - Peak Demand
Effective May 2006

Section 3
Page 6 of 7

Summary of CGA Peak Demand Costs

Line No.	<u>Description of Costs</u>	<u>Peak Sales HLF</u>	<u>Peak Sales LLF</u>	<u>Total Peak Firm Sales</u>	<u>Peak Non-Grndf Trans HLF</u>	<u>Peak Non-Grndf Trans LLF</u>	<u>Tot Peak Non-Grndf Trans</u>
1	Base Demand Costs	\$702,443	\$2,098,109	\$2,800,552	\$582,783	\$100,105	\$682,888
2	Remaining Pipeline & Other Demand Costs	\$1,803,402	\$40,366,420	\$42,169,821	\$462,565	\$1,826,024	\$2,288,589
3							
4	Sub-Total Peak Demand Costs	\$2,505,844	\$42,464,529	\$44,970,373	\$1,045,348	\$1,926,129	\$2,971,477
5							
6	Less: Capacity Release	\$162,408	\$3,635,259	\$3,797,667	\$41,657	\$164,445	\$206,102
7							
8	Charges Allowable for Working Capital	\$2,343,436	\$38,829,270	\$41,172,706	\$1,003,691	\$1,761,683	\$2,765,374
9							
10	Less: Interruptible Margins	\$20,127	\$450,508	\$470,635	\$5,162	\$20,379	\$25,542
11							
12	Production & Storage	\$290,842	\$6,510,063	\$6,800,905	\$49,787	\$196,540	\$246,327
13							
14	Total Peak Demand	\$2,614,151	\$44,888,824	\$47,502,976	\$1,048,316	\$1,937,844	\$2,986,160
15	(Peak Form II, Ln. 1)						

BAY STATE GAS COMPANY
MBA Load Factor Specific Allocated Costs
Summary of Gas Costs - Peak Commodity
Effective May 2006

Section 3
Page 7 of 7

Summary of CGA Peak Commodity Costs

Line No.	<u>Description of Costs</u>	<u>Peak Sales HLF</u>	<u>Peak Sales LLF</u>	<u>Total Peak Firm Sales</u>	<u>Peak Non-Grndf Trans HLF</u>	<u>Peak Non-Grndf Trans LLF</u>	<u>Tot Peak Non-Grndf Trans</u>
1	Base Commodity Costs	\$12,002,859	\$35,851,061	\$47,853,920	\$9,958,193	\$1,710,530	\$11,668,724
2	Remaining Pipeline & Other Commodity Costs	\$15,241,105	\$222,635,021	\$237,876,126	\$4,772,171	\$14,244,538	\$19,016,710
3							
4	Sub-Total Peak Commodity Costs	\$27,243,965	\$258,486,082	\$285,730,047	\$14,730,364	\$15,955,069	\$30,685,433
5	(Charges Allowable for Working Capital)						
6							
7	Less: Non-Core Commodity Costs	\$7,795	\$110,207	\$118,002	\$2,564	\$7,009	\$9,573
8							
9	Total Peak Commodity Costs	\$27,236,170	\$258,375,876	\$285,612,045	\$14,727,800	\$15,948,060	\$30,675,860
10	(Peak Form II, Ln. 8)						

TAB 4
Sales Summary

BAY STATE GAS COMPANY
Forecasted Sales and Transportation (Volumes in MMBtu)
 May 2006 - April 2007
 Effective May 2006

Line No.	<u>Firm Sales</u>	<u>May-06</u> (1)	<u>Jun-06</u> (2)	<u>Jul-06</u> (3)	<u>Aug-06</u> (4)	<u>Sep-06</u> (5)	<u>Oct-06</u> (6)	<u>Total Summer</u> (7)	<u>Nov-06</u> (8)	<u>Dec-06</u> (9)	<u>Jan-07</u> (10)	<u>Feb-07</u> (11)	<u>Mar-07</u> (12)	<u>Apr-07</u> (13)	<u>Total Winter</u> (14)	<u>Total Annual</u> (15)
1	Resid Space Heating (R-3) & (R-4)	877,862	525,943	548,736	471,924	624,532	1,415,010	4,464,007	2,362,020	3,623,713	4,227,353	3,622,124	2,992,620	1,802,435	18,630,265	23,094,272
2	Resid Non-Space Heating (R-1) & (R-2)	40,340	36,679	40,583	35,487	37,815	46,342	237,246	56,663	70,218	76,662	70,030	63,152	50,294	387,019	624,265
3	Outdoor Lighting	19	19	19	19	19	19	114	24	19	23	19	19	19	123	237
4	HLF Small Rate Q - G-50	29,760	26,378	31,099	26,199	27,066	34,933	175,435	44,323	56,584	62,437	56,592	50,477	38,924	309,337	484,772
5	LLF Small Rate R - G-40	64,324	24,365	22,480	18,226	35,669	126,518	291,582	236,656	382,905	452,575	382,625	309,397	171,459	1,935,617	2,227,199
6	HLF Medium Rate S - G-51	91,393	80,095	89,408	75,955	82,836	107,969	527,656	138,787	178,942	198,202	179,119	159,232	121,451	975,733	1,503,389
7	LLF Medium Rate T - G-41	101,947	39,374	41,152	28,744	56,347	196,746	464,310	366,583	592,498	700,436	592,997	480,568	267,863	3,000,945	3,465,255
8	HLF Large Rate U & Y - G-52 & G-53	70,125	55,867	58,258	56,584	57,760	90,737	389,331	128,822	179,251	203,445	175,426	154,946	107,639	949,529	1,338,860
9	LLF Large Rate V & Z - G-42 & G-43	53,114	27,250	30,945	24,669	32,492	90,744	259,214	159,205	250,297	294,077	250,912	205,971	120,345	1,280,807	1,540,021
10	Non-Grandfathered Trans Q - T-50	2,782	2,152	2,061	3,607	2,966	3,684	17,252	4,014	5,720	6,266	5,707	5,122	3,871	30,700	47,952
11	Non-Grandfathered Trans R - T-40	2,715	1,374	1,356	1,091	1,790	4,969	13,295	8,836	13,938	16,348	13,866	11,266	6,429	70,683	83,978
12	Non-Grandfathered Trans S - T-51	40,679	38,084	38,905	37,284	38,788	45,005	238,745	51,893	62,376	66,994	62,217	57,260	48,016	348,756	587,501
13	Non-Grandfathered Trans T - T-41	18,558	9,123	9,417	7,461	12,204	34,921	91,684	62,499	98,749	115,858	97,976	79,362	44,873	499,317	591,001
14	Non-Grndfthrd Trans U&Y-T-52 & 53	131,110	124,882	131,783	122,168	126,868	135,746	772,557	159,410	183,099	194,130	182,701	170,890	148,844	1,039,074	1,811,631
15	Non-Grndfthrd Trans V&Z-T-42 & 43	39,692	20,488	20,127	17,167	26,138	68,982	192,594	120,624	188,831	221,609	188,437	154,352	89,832	963,685	1,156,279
16	Total Firm Sales	1,564,420	1,012,073	1,066,329	926,585	1,163,290	2,402,325	8,135,022	3,900,359	5,887,140	6,836,415	5,880,748	4,894,634	3,022,294	30,421,590	38,556,612
17	SALES HLF CLASSES	231,637	199,038	219,367	194,244	205,496	280,000	1,329,782	368,619	485,014	540,769	481,186	427,826	318,327	2,621,741	3,951,523
18	SALES LLF CLASSES	1,097,247	616,932	643,313	543,563	749,040	1,829,018	5,479,113	3,124,464	4,849,413	5,674,441	4,848,658	3,988,556	2,362,102	24,847,634	30,326,747
19	Subtotal (Lns. 17 & 18)	1,328,884	815,970	862,680	737,807	954,536	2,109,018	6,808,895	3,493,083	5,334,427	6,215,210	5,329,844	4,416,382	2,680,429	27,469,375	34,278,270
20	Non-Grandfathered HLF CLASSES	174,571	165,118	172,749	163,059	168,622	184,435	1,028,554	215,317	251,195	267,390	250,625	233,272	200,731	1,418,530	2,447,084
21	Non-Grandfathered LLF CLASSES	60,965	30,985	30,900	25,719	40,132	108,872	297,573	191,959	301,518	353,815	300,279	244,980	141,134	1,533,685	1,831,258
Transportation																
22	Resid Space Heating (T-3) & (T-4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Resid Non-Space Heating (T-1) & (T-2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	HLF Small Rate Q - T-50	3,697	2,609	2,446	5,855	4,333	5,284	24,224	5,241	7,980	8,682	7,919	7,123	5,318	42,263	66,487
25	LLF Small Rate R - T-40	2,629	1,320	1,289	1,049	1,726	4,836	12,849	8,614	13,596	15,951	13,521	10,982	6,256	68,920	81,769
26	HLF Medium Rate S - T-51	29,439	27,664	27,957	27,186	28,154	32,344	172,744	36,850	44,205	47,359	44,136	40,767	34,472	247,789	420,533
27	LLF Medium Rate T - T-41	26,457	12,885	13,516	10,475	17,032	48,806	129,171	87,368	138,274	162,412	137,658	111,827	63,590	701,129	830,300
28	HLF Large Rate U & Y - T-52 & T-53	383,297	367,362	380,934	360,828	372,206	394,282	2,258,909	450,318	512,538	540,182	511,941	482,827	428,050	2,925,856	5,184,765
29	LLF Large Rate V & Z - T-42 & T-43	56,862	29,198	28,744	23,978	37,073	98,711	274,566	173,169	271,782	319,094	271,608	222,471	129,394	1,387,518	1,662,084
30	Total Transportation	502,381	441,038	454,886	429,371	460,524	584,263	2,872,463	761,560	988,375	1,093,680	986,783	875,997	667,080	5,373,475	8,245,938
31	ALL HLF CLASSES	416,433	397,635	411,337	393,869	404,693	431,910	2,455,877	492,409	564,723	596,223	563,996	530,717	467,840	3,215,908	5,671,785
32	ALL LLF CLASSES	85,948	43,403	43,549	35,502	55,831	152,353	416,586	269,151	423,652	497,457	422,787	345,280	199,240	2,157,567	2,574,153
33	Total Firm Sales and Transportation	2,066,801	1,453,111	1,521,215	1,355,956	1,623,814	2,986,588	11,007,485	4,661,919	6,875,515	7,930,095	6,867,531	5,770,631	3,689,374	35,795,065	46,802,550

Bay State Gas Company
Forecast 2006 vs. Normalized Actual 2005 Volumes
Off-peak Period

Section 4
Page 2 of 2

	(Forecast)	(Actual-Normal)		
	May-06	May-05	Increase	
	Through	Through	(Decrease)	Percentage
	<u>Oct-06</u>	<u>Oct-05</u>	<u>(3)</u>	<u>(4)</u>
	(1)	(2)	(3)	(4)
	MMBtu	MMBtu	MMBtu	%
<u>Total Throughput</u>				
Brockton	4,905,382	4,857,459	47,923	0.99%
Lawrence	2,253,642	2,229,865	23,777	1.07%
Springfield	3,848,461	3,808,821	39,640	1.04%
	<u>11,007,485</u>	<u>10,896,145</u>	<u>111,340</u>	<u>1.02%</u>
<u>Total Bay State</u>				
Sales	6,808,895	6,754,640	54,255	0.80%
Transportation	4,198,590	4,141,505	57,085	1.38%
Total	<u>11,007,485</u>	<u>10,896,145</u>	<u>111,340</u>	<u>1.02%</u>

TAB 5
Reconciliation

OFF PEAK

BAY STATE GAS COMPANY
Summary Demand Account 191.10
November 2004 through October 2005
Effective May 2006

Section 5
FORM III
Schedule 1
Page 1 of 3

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Account 191.10 Beginning Balance	\$537,595	Schedule 2
2	Less: Revenue Billed via Demand GAF	(\$6,342,861)	Schedule 3
3	Less: Revenue Billed November 2004	(\$954,924)	Schedule 2, Column 1
4	Add: Cost of Firm Gas Allowable (Demand)	\$8,536,012	Schedule 4
5	Add: Account 191.10 Interest	<u>\$29,633</u>	Schedule 2
	Off Peak Demand Reconciliation Adjustment:		
6	Account 191.10 Ending Balance	\$1,805,456	Lines 1 through 5
7	Forecasted Sales (MMBtu)	6,808,895	Section 4
8	Reconciliation Adjustment per MMBtu	\$0.265	Line 6 divided by Line 7

OFF PEAK

BAY STATE GAS COMPANY
Summary Production Storage Demand Account 182.18
November 2004 through October 2005
Effective May 2006

Section 5
FORM III
Schedule 1
Page 2 of 3

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Account 182.18 Beginning Balance	\$180,121	Schedule 2
2	Less: Revenue Billed via Demand GAF	(\$463,142)	Schedule 3
3	Less: Revenue Billed November 2004	(\$76,674)	Schedule 2, Colur
4	Add: Cost of Firm Gas Allowable (Demand)	\$485,633	Schedule 4
5	Add: Account 182.18 Interest	<u>\$7,189</u>	Schedule 2
6	Off Peak Production & Storage Reconciliation Adjustment: Account 182.18 Ending Balance	\$133,127	Lines 1 through 5
7	Forecasted Sales (MMBtu)	6,808,895	Section 4
8	Reconciliation Adjustment per MMBtu	\$0.020	Line 6 divided by I

OFF PEAK

BAY STATE GAS COMPANY
Summary Commodity Account 191.09
November 2004 through October 2005
Effective May 2006

Section 5
FORM III
Schedule 1
Page 3 of 3

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Account 191.09 Beginning Balance	\$8,741,141	Schedule 2
2	Less: Revenue Billed via Commodity GAF	(\$65,371,671)	Schedule 3
3	Less: Revenue Billed November 2004	(\$10,829,306)	Schedule 2, Column 1
4	Add: Cost of Firm Gas Allowable (Commodity)	\$74,562,198	Schedule 4
5	Add: Account 191.09 Interest	<u>\$136,769</u>	Schedule 2
6	Off Peak Commodity Reconciliation Adjustment: Account 191.09 Ending Balance	\$7,239,130	Lines 1 through 4
7	Forecasted Sales (MMBtu)	6,808,895	Section 4
8	Reconciliation Adjustment per MMBtu	\$1.063	Line 6 divided by Line 7

OFF PEAK

BAY STATE GAS COMPANY
Monthly Summary of Off Peak 191 and 182 Accounts
November 2004 through October 2005

Section 5
FORM III
Schedule 2

Line No.	October billed in November (1)	November (2)	December (3)	2005 January (4)	February (5)	March (6)	April (7)	May (8)	June (9)	July (10)	August (11)	September (12)	October (13)	October billed in November (14)	Total (15)
<u>ACCOUNT 191.10</u>															
1 Off Peak Demand Account Beginning Balance	\$537,595	(\$417,329)	(\$417,085)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	(\$426,559)	\$126,299	\$212,311	\$966,008	\$1,772,868	\$2,578,175	\$0	\$537,595
2 Plus: Cost of Gas Allowable - Sch. 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,354,489	\$1,427,283	\$1,484,089	\$1,420,653	\$1,426,875	\$1,422,623	\$0	\$8,536,012
3 Less: Base Gas Revenue Applied - Sch. :	(\$954,924)	\$0	\$0	\$0	\$0	\$0	\$0	(\$800,870)	(\$1,342,105)	(\$733,510)	(\$621,262)	(\$633,320)	(\$840,465)	(\$1,371,328)	(\$7,297,785)
4 Preliminary Ending Balance	(\$417,329)	(\$417,329)	(\$417,085)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	\$127,060	\$211,477	\$962,889	\$1,765,398	\$2,566,423	\$3,160,334	(\$1,371,328)	
5 Month's Average Balance		\$60,133	(\$417,207)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	(\$149,750)	\$168,888	\$587,600	\$1,365,703	\$2,169,646	\$2,869,254		
6 Interest Rate (Prime)		4.93%	5.15%	5.25%	5.49%	5.58%	5.75%	5.98%	6.01%	6.25%	6.44%	6.59%	6.75%		
7 Interest Applied		\$244	(\$1,825)	(\$1,868)	(\$1,772)	(\$2,003)	(\$2,006)	(\$761)	\$834	\$3,119	\$7,470	\$11,752	\$16,449		\$29,633
8 Off Peak Demand Ending Balance (Ln. 4+7)	(\$417,329)	(\$417,085)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	(\$426,559)	\$126,299	\$212,311	\$966,008	\$1,772,868	\$2,578,175	\$3,176,783		\$1,805,456
<u>ACCOUNT 182.18</u>															
Off Peak Production & Storage Demand Account															
9 Beginning Balance	\$180,121	\$103,447	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$106,384	\$145,006	\$109,126	\$113,919	\$121,504	\$141,855	\$0	\$180,121
10 Plus: Cost of Gas Allowable - Sch. 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$93,798	\$60,099	\$61,404	\$56,282	\$69,618	\$144,432	\$0	\$485,633
11 Less: Base Gas Revenue Applied - Sch. 3	(\$76,674)	\$0	\$0	\$0	\$0	\$0	\$0	(\$55,812)	(\$96,605)	(\$57,201)	(\$49,339)	(\$49,978)	(\$63,530)	(\$90,676)	(\$539,816)
12 Preliminary Ending Balance	\$103,447	\$103,447	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$144,370	\$108,500	\$113,329	\$120,862	\$141,144	\$222,757	(\$90,676)	
13 Month's Average Balance		\$141,784	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$125,377	\$126,753	\$111,227	\$117,391	\$131,324	\$182,306		
14 Interest Rate (Prime)		4.93%	5.15%	5.25%	5.49%	5.58%	5.75%	5.98%	6.01%	6.25%	6.44%	6.59%	6.75%		
15 Interest Applied		\$575	\$455	\$466	\$442	\$499	\$500	\$637	\$626	\$590	\$642	\$711	\$1,045		\$7,189
16 Off Peak Production & Storage Demand Ending Balance (Ln. 12+15)	\$103,447	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$106,384	\$145,006	\$109,126	\$113,919	\$121,504	\$141,855	\$223,802		\$133,127
<u>ACCOUNT 191.09</u>															
17 Off Peak Commodity Account Beginning Balance	\$8,741,141	(\$2,088,165)	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	(\$2,121,809)	\$7,214,605	\$1,607,386	\$1,296,574	\$2,655,284	\$6,949,493	\$0	\$8,741,141
18 Plus: Cost of Gas Allowable - Sch. 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,121,895	\$6,052,619	\$6,446,749	\$7,133,166	\$10,572,546	\$28,235,222	\$0	\$74,562,198
19 Less: Base Gas Revenue Applied - Sch. 3	(\$10,829,306)	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,798,381)	(\$11,681,574)	(\$6,765,247)	(\$5,785,234)	(\$6,304,278)	(\$10,258,488)	(\$17,778,469)	(\$76,200,977)
20 Preliminary Ending Balance	(\$2,088,165)	(\$2,088,165)	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	\$7,201,705	\$1,585,651	\$1,288,887	\$2,644,506	\$6,923,552	\$24,926,227	(\$17,778,469)	
21 Month's Average Balance		\$3,326,488	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	\$2,539,948	\$4,400,128	\$1,448,137	\$1,970,540	\$4,789,418	\$15,937,860		
22 Interest Rate (Prime)		4.93%	5.15%	5.25%	5.49%	5.58%	5.75%	5.98%	6.01%	6.25%	6.44%	6.59%	6.75%		
23 Interest Applied		\$13,479	(\$9,075)	(\$9,291)	(\$8,815)	(\$9,961)	(\$9,981)	\$12,900	\$21,735	\$7,687	\$10,778	\$25,942	\$91,370		\$136,769
24 Off Peak Commodity Ending Balance (Ln. 20+23)	(\$2,088,165)	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	(\$2,121,809)	\$7,214,605	\$1,607,386	\$1,296,574	\$2,655,284	\$6,949,493	\$25,017,597		\$7,239,130

OFF PEAK

BAY STATE GAS COMPANY
Base Gas Revenues Applied
November 2004 through October 2005

Section 5
FORM III
Schedule 3

No.	Month	Residential		Outdoor	Rate Classes						
		Heat (1)	Non Heat (2)	Lighting (3)	G-50 (4)	G-40 (5)	G-51 (6)	G-41 (7)	G-52 & 53 (8)	G-42 & 43 (9)	Total (10)
Off Peak Sales Volume (MMBtu)											
1	May 2005 (New GCA rate)	593,712	22,835	8	14,978	39,752	40,628	63,188	44,164	38,698	857,962
2	June	990,937	47,630	19	37,040	58,197	99,543	103,311	80,143	58,241	1,475,060
3	July	545,324	40,347	19	30,677	22,174	88,191	40,592	57,468	30,524	855,316
4	August	468,996	35,281	19	25,843	17,978	74,923	28,353	55,814	24,334	731,540
5	September (Old GCA rate)	285,165	21,473	12	15,251	11,954	51,931	19,211	36,473	10,999	452,469
6	September (New GCA rate)	191,494	15,248	7	10,095	7,866	28,304	11,803	17,064	10,503	292,383
7	October (Old GCA rate)	335,116	22,942	12	16,650	14,374	50,262	30,350	40,163	16,445	526,313
8	October (New GCA rate)	291,378	17,960	7	11,767	13,902	29,930	23,912	21,175	19,414	429,444
9	November (Old CGA Rate)	990,062	29,724	12	16,364	71,851	62,425	134,582	42,794	77,915	1,425,728
10	Total	4,692,185	253,439	114	178,664	258,048	526,137	455,301	395,256	287,071	7,046,215
Off Peak Demand Recovery Rates											
11	Demand cost	\$1.020	\$0.468	\$0.434	\$0.549	\$1.425	\$0.471	\$1.298	\$0.442	\$1.084	
12	Production and Storage Demand cost	\$0.048	\$0.064	\$0.109	\$0.060	\$0.039	\$0.053	\$0.053	\$0.117	\$0.063	
13	Total Demand Rate	\$1.068	\$0.532	\$0.543	\$0.609	\$1.464	\$0.524	\$1.351	\$0.559	\$1.147	
14	Reconciliation adjustment	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	
15	Production & Storage Reconciliation adjustment	\$0.012	\$0.012	\$0.012	\$0.012	\$0.012	\$0.012	\$0.012	\$0.012	\$0.012	
16	Total Reconciliation Adjustment	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	
17	Total Demand Recovery Rate	\$1.030	\$0.494	\$0.505	\$0.571	\$1.426	\$0.486	\$1.313	\$0.521	\$1.109	
Off Peak Demand Recovery Revenues											
18	May (Line 1 times Lines 11 + 14)	\$575,901	\$9,545	\$3	\$7,474	\$54,658	\$17,104	\$78,859	\$17,312	\$40,013	\$800,870
19	June (Line 2 times Lines 11 + 14)	\$961,209	\$19,909	\$7	\$18,483	\$80,021	\$41,908	\$128,932	\$31,416	\$60,221	\$1,342,105
20	July (Lines 3 times Lines 11 + 14)	\$528,964	\$16,865	\$7	\$15,308	\$30,489	\$37,129	\$50,659	\$22,527	\$31,562	\$733,510
21	August (Line 4 times Lines 11 + 14)	\$454,926	\$14,748	\$7	\$12,896	\$24,719	\$31,542	\$35,384	\$21,879	\$25,161	\$621,262
22	September (Line 5 + 6 times Lines 11 + 14)	\$462,360	\$15,349	\$7	\$12,647	\$27,253	\$33,779	\$38,705	\$20,986	\$22,233	\$633,320
23	October (Line 7 + 8 times Lines 11 + 14)	\$607,699	\$17,097	\$7	\$14,180	\$38,880	\$33,761	\$67,718	\$24,044	\$37,078	\$840,465
24	November (Line 9 times Lines 11 + 14)	\$960,360	\$12,425	\$5	\$8,165	\$98,795	\$26,281	\$167,958	\$16,775	\$80,564	\$1,371,328
25	Total (Lines 18 through 24)	\$4,551,419	\$105,937	\$44	\$89,154	\$354,816	\$221,504	\$568,216	\$154,940	\$296,832	\$6,342,861
Off Peak Production & Storage Demand Recovery Revenues											
26	May (Line 1 times Lines 12 + 15)	\$35,623	\$1,735	\$1	\$1,078	\$2,027	\$2,641	\$4,107	\$5,697	\$2,902	\$55,812
27	June (Line 2 times Lines 12 + 15)	\$59,456	\$3,620	\$2	\$2,667	\$2,968	\$6,470	\$6,715	\$10,338	\$4,368	\$96,605
28	July (Lines 3 times Lines 12 + 15)	\$32,719	\$3,066	\$2	\$2,209	\$1,131	\$5,732	\$2,639	\$7,413	\$2,289	\$57,201
29	August (Line 4 times Lines 12 + 15)	\$28,140	\$2,681	\$2	\$1,861	\$917	\$4,870	\$1,843	\$7,200	\$1,825	\$49,339
30	September (Line 5 + 6 times Lines 12 + 15)	\$28,600	\$2,791	\$2	\$1,825	\$1,011	\$5,215	\$2,016	\$6,906	\$1,613	\$49,978
31	October (Line 7 + 8 times Lines 12 + 15)	\$37,590	\$3,109	\$2	\$2,046	\$1,442	\$5,212	\$3,527	\$7,913	\$2,689	\$63,530
32	November (Line 9 times Lines 12 + 15)	\$59,404	\$2,259	\$1	\$1,178	\$3,664	\$4,058	\$8,748	\$5,520	\$5,844	\$90,676
33	Total (Lines 26 through 32)	\$281,531	\$19,261	\$14	\$12,864	\$13,160	\$34,199	\$29,595	\$50,988	\$21,530	\$463,142
Off Peak Commodity Recovery Rates											
34	Commodity cost (through 8/31/05)	\$8.179	\$8.072	\$7.804	\$8.087	\$8.258	\$8.074	\$8.235	\$8.099	\$8.193	
35	Reconciliation adjustment	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	
36	Total	\$7.929	\$7.822	\$7.554	\$7.837	\$8.008	\$7.824	\$7.985	\$7.849	\$7.943	
37	Commodity cost (9/01/05 - 9/30/05)	\$9.594	\$9.487	\$9.219	\$9.502	\$9.673	\$9.489	\$9.650	\$9.514	\$9.608	
38	Reconciliation adjustment	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	
39	Total	\$9.344	\$9.237	\$8.969	\$9.252	\$9.423	\$9.239	\$9.400	\$9.264	\$9.358	
40	Commodity cost (10/01/05 - 10/31/05)	\$12.720	\$12.613	\$12.345	\$12.628	\$12.799	\$12.615	\$12.776	\$12.640	\$12.734	
41	Reconciliation adjustment	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	(\$0.250)	
42	Total	\$12.470	\$12.363	\$12.095	\$12.378	\$12.549	\$12.365	\$12.526	\$12.390	\$12.484	
Off Peak Commodity Recovery Revenues											
43	May (Line 1 times Line 36)	\$4,707,543	\$178,613	\$58	\$117,386	\$318,330	\$317,875	\$504,558	\$346,643	\$307,375	\$6,798,381
44	June (Line 2 times Line 36)	\$7,857,141	\$372,560	\$144	\$290,283	\$466,040	\$778,825	\$824,935	\$629,039	\$462,607	\$11,681,574
45	July (Line 3 times Line 36)	\$4,323,872	\$315,592	\$144	\$240,414	\$177,570	\$690,009	\$324,130	\$451,063	\$242,454	\$6,765,247
46	August (Line 4 times Line 36)	\$3,718,669	\$275,970	\$144	\$202,531	\$143,965	\$586,196	\$226,396	\$438,082	\$193,283	\$5,785,234
47	September (Line 5 times Line 36 + Line 6 times Line 39)	\$4,050,397	\$308,801	\$153	\$212,915	\$169,854	\$667,806	\$264,348	\$444,355	\$185,649	\$6,304,278
48	October (Line 7 times Line 39 + Line 8 times Line 42)	\$6,764,807	\$433,953	\$194	\$299,699	\$309,905	\$834,447	\$584,806	\$634,420	\$396,256	\$10,258,488
49	November (Line 9 times Line 42)	\$12,346,076	\$367,482	\$142	\$202,550	\$901,654	\$771,888	\$1,685,775	\$530,214	\$972,688	\$17,778,469
50	Total (Lines 43 through 49)	\$43,768,505	\$2,252,970	\$978	\$1,565,779	\$2,487,319	\$4,647,046	\$4,414,946	\$3,473,817	\$2,760,310	\$65,371,671

OFF PEAK

BAY STATE GAS COMPANY
Cost of Firm Gas Allowable
November 2004 through October 2005

Section 5
FORM III
Schedule 4

<u>Line No.</u>		<u>2004</u> <u>November</u>	<u>December</u>	<u>2005</u> <u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
	<u>OFF PEAK PERIOD DEMAND COSTS</u>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Supplier Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$127,835	\$125,756	\$145,937	\$121,497	\$123,413	\$126,089	\$770,527
2	Pipeline Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$1,244,004	\$1,306,158	\$1,353,692	\$1,303,004	\$1,305,119	\$1,297,025	\$7,809,003
3	Capacity Release - Schedule 6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Storage Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Peaking Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Off-System Sales Margin - Schedule 7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Interruptible Sales Margin - Schedule 5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Transportation Imbalance Penalties	\$0	\$0	\$0	\$0	\$0	\$0	(\$17,351)	(\$4,631)	(\$15,541)	(\$3,848)	(\$1,656)	(\$491)	(\$43,518)
9	Subtotal Demand (Lines 1 through 8)	\$0	\$0	\$0	\$0	\$0	\$0	\$1,354,489	\$1,427,283	\$1,484,089	\$1,420,653	\$1,426,875	\$1,422,623	\$8,536,012
10	Production and Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$93,798	\$60,099	\$61,404	\$56,282	\$69,618	\$144,432	\$485,633
11	TOTAL OFF PEAK PERIOD DEMAND (Ln. 9 + 10)	\$0	\$0	\$0	\$0	\$0	\$0	\$1,448,287	\$1,487,382	\$1,545,493	\$1,476,935	\$1,496,493	\$1,567,055	\$9,021,645
	<u>OFF PEAK PERIOD COMMODITY COSTS</u>													
12	Supplier Commodity	\$0	\$0	\$0	\$0	\$0	\$0	\$24,532,987	\$16,643,180	\$16,276,135	\$14,803,417	\$23,034,707	\$42,456,697	\$137,747,122
13	Pipeline Commodity	\$0	\$0	\$0	\$0	\$0	\$0	(\$249,791)	\$392,557	(\$40,016)	\$442,863	(\$25,213)	(\$197,628)	\$322,771
14	Storage Commodity	\$0	\$0	\$0	\$0	\$0	\$0	\$3,182,760	\$4,276,582	(\$1,124,675)	(\$2,988,656)	(\$3,360,635)	(\$1,881,151)	(\$1,895,774)
15	Storage Injections	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,754,154)	(\$5,297,445)	(\$6,361,720)	(\$401,822)	(\$23,690,969)	(\$11,401,617)	(\$54,907,727)
16	Flowing Supply Reclass - Sch. 5 and 7	\$0	\$0	\$0	\$0	\$0	\$0	(\$503,723)	(\$1,842,882)	(\$1,533,223)	(\$1,059,661)	(\$647,517)	(\$796,953)	(\$6,383,958)
17	Storage Withdrawals and Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$604,225	\$192,520	\$300,567	\$89,168	\$7,520,682	\$2,191,649	\$10,898,812
18	Cash In/Cash Outs	\$0	\$0	\$0	\$0	\$0	\$0	(\$535,540)	(\$307,893)	(\$953,237)	\$27,847	(\$346,235)	\$818,118	(\$1,296,941)
19	Company Use Gas	\$0	\$0	\$0	\$0	\$0	\$0	(\$90,731)	(\$64,614)	(\$38,001)	(\$49,696)	(\$37,337)	(\$47,701)	(\$328,080)
20	Boil Off	\$0	\$0	\$0	\$0	\$0	\$0	\$266,376	\$326,502	\$401,914	\$368,482	\$470,353	\$571,291	\$2,404,918
21	Property Tax West Virginia	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,248	\$0	\$0	\$11,248
22	LPG Withdrawals and Fees	\$0	\$0	\$0	\$0	\$0	\$0	(\$162,320)	\$440,767	(\$34,273)	\$17,025	\$14,874	(\$24,358)	\$251,715
23	LNG Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,522	\$2,142,453	\$1,647,077	\$481,446	\$802,415	\$5,107,913
24	LNG Withdrawals and Fees	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,064,133)	\$545,347	\$67,756	\$64,974	(\$49,358)	\$63,715	(\$371,699)
25	Peaking Commodity-Co. Managed Releases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Exchange Gas	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,104,059)	(\$9,286,524)	(\$2,656,932)	(\$5,839,098)	\$7,207,747	(\$4,319,257)	(\$16,998,123)
27	TOTAL OFF PEAK PERIOD COMMODITY	\$0	\$0	\$0	\$0	\$0	\$0	\$16,121,895	\$6,052,619	\$6,446,749	\$7,133,166	\$10,572,546	\$28,235,222	\$74,562,198
28	Total Off Peak Period Gas Costs (Ln. 11 + 27)	\$0	\$0	\$0	\$0	\$0	\$0	\$17,570,182	\$7,540,002	\$7,992,241	\$8,610,101	\$12,069,039	\$29,802,277	\$83,583,843

TAB 6
Working Capital

BAY STATE GAS COMPANY
Purchased Gas Working Capital Calculation
Off Peak Period CGA
Effective May 2006

Line No.	Demand (1)	Commodity (2)	Description (3)
1	\$4,810,574 1/	\$57,358,420	Total Charges Allowable for Working Capital (Section 3, Pg.4, Ln. 8, Col. 3 and Pg. 5, Ln. 4, Col. 3)
2	25.30	25.30	Projected Weighted Net Lag Days
3	6.93%	6.93%	Net Lead/Lag Requirement (Ln. 2 / 365 days)
4	\$333,373	\$3,974,939	Peak Working Capital Requirement (Ln. 1 x Ln. 3)
5	8.22%	8.22%	Cost of Capital (Last rate of return approved by the D.T.E.)
6	\$27,403	\$326,740	Return on Base Wrok'g Capital Req. (Ln. 4 x Ln. 5)
7	2.82%	2.82%	Weighted Cost of Debt (included in the approved rate of return)
8	\$9,401	\$112,093	Interest Portion of return on Working Capital Requirement (Ln. 4 x Ln. 7)
9	\$18,002	\$214,647	Taxable Income Base (Ln. 6 - Ln. 8)
10	60.775%	60.775%	1 - Combined Tax Rate (Combined tax rate = 39.225%)
11	\$29,621	\$353,183	Equity Return Requirement Plus Taxes (Ln. 9 / Ln. 10)
12	\$39,022	\$465,276	Projected Capital Allowance (Ln. 8 + Ln. 11)
13	(\$59,071)	\$42,844	Off Peak Period Reconciliation Account (Page 2, Lns. 13 & 26 respectively)
14	(\$20,049)	\$508,120	Working Capital Allowance (Ln. 12 + Ln. 13)
15	6,808,895	6,808,895	Forecast Off Peak Period Firm Sales MMBtu (Section 4, Pg.1, Col. 7, Ln. 19)
16	(\$0.003)	\$0.075	Rate Effective May 2006 \$/MMBtu (Ln. 14 / Ln. 15)

1/ Demand Cost excludes Interruptible Profits and Production & Storage

OFF PEAK

BAY STATE GAS COMPANY
Working Capital Reconciliation
For the Period January 2005 through January 2006

Section 6

Page 2 of 4

DEMAND - Account 182.20

Line No.	Month	Beginning Balance (1)	Wkg Cap Allowance (Pg 3 of 4) (2)	Firm Sales (3)	Allowed Wkg Cap Collection Rate (4)	Customer Collections (Passback) (5)=(3*4)	Subtotal Balance (6)=(1+2-5)	Avg. Monthly Balance (7)=(1+6)/2	Interest Rate (8)	Days In Month (9)	Monthly Interest (10)=(7*8*9/365)	A/C 182.20 Ending Balance (11)=(6+10)
1	January 2005	\$ (423,036)					\$ (423,036)	\$ (423,036)	5.25%	31	\$ (1,886)	\$ (424,922)
2	February	\$ (424,922)					\$ (424,922)	\$ (424,922)	5.49%	28	\$ (1,790)	\$ (426,712)
3	March	\$ (426,712)					\$ (426,712)	\$ (426,712)	5.58%	31	\$ (2,022)	\$ (428,734)
4	April	\$ (428,734)					\$ (428,734)	\$ (428,734)	5.75%	30	\$ (2,026)	\$ (430,760)
5	May	\$ (430,760)	\$ 16,651	857,962	(0.0390)	\$ (33,461)	\$ (380,648)	\$ (405,704)	5.98%	31	\$ (2,061)	\$ (382,709)
6	June	\$ (382,709)	\$ 17,801	1,475,060	(0.0390)	\$ (57,527)	\$ (307,381)	\$ (345,045)	6.01%	30	\$ (1,704)	\$ (309,085)
7	July	\$ (309,085)	\$ 18,395	855,316	(0.0390)	\$ (33,357)	\$ (257,333)	\$ (283,209)	6.25%	31	\$ (1,503)	\$ (258,836)
8	August	\$ (258,836)	\$ 17,585	731,540	(0.0390)	\$ (28,530)	\$ (212,721)	\$ (235,779)	6.44%	31	\$ (1,290)	\$ (214,011)
9	September	\$ (214,011)	\$ 18,410	744,852	(0.0390)	\$ (29,049)	\$ (166,552)	\$ (190,282)	6.59%	30	\$ (1,031)	\$ (167,583)
10	October	\$ (167,583)	\$ 17,646	955,757	(0.0390)	\$ (37,275)	\$ (112,662)	\$ (140,123)	6.75%	31	\$ (803)	\$ (113,465)
11	November	\$ (113,465)		1,425,728	(0.0390)	\$ (55,603)	\$ (57,862)	\$ (85,664)	7.00%	30	\$ (493)	\$ (58,355)
12	December	\$ (58,355)					\$ (58,355)	\$ (58,355)	7.15%	31	\$ (354)	\$ (58,709)
13	January 2006	\$ (58,709)					\$ (58,709)	\$ (58,709)	7.26%	31	\$ (362)	\$ (59,071)

COMMODITY - Account 182.21

Line No.	Month	Beginning Balance (1)	Wkg Cap Allowance (Pg 3 of 4) (2)	Firm Sales (3)	Allowed Wkg Cap Collection Rate (4)	Customer Collections (Passback) (5)=(3*4)	Subtotal Balance (6)=(1+2-5)	Avg. Monthly Balance (7)=(1+6)/2	Interest Rate (8)	Days In Month (9)	Monthly Interest (10)=(7*8*9/365)	A/C 182.21 Ending Balance (11)=(6+10)
14	January 2005	\$ (1,251,520)					\$ (1,251,520)	\$ (1,251,520)	5.25%	31	\$ (5,580)	\$ (1,257,100)
15	February	\$ (1,257,100)					\$ (1,257,100)	\$ (1,257,100)	5.49%	28	\$ (5,294)	\$ (1,262,394)
16	March	\$ (1,262,394)					\$ (1,262,394)	\$ (1,262,394)	5.58%	31	\$ (5,983)	\$ (1,268,377)
17	April	\$ (1,268,377)					\$ (1,268,377)	\$ (1,268,377)	5.75%	30	\$ (5,994)	\$ (1,274,371)
18	May	\$ (1,274,371)	\$ 204,380	857,962	(0.0470)	\$ (40,324)	\$ (1,029,667)	\$ (1,152,019)	5.98%	31	\$ (5,851)	\$ (1,035,518)
19	June	\$ (1,035,518)	\$ 98,474	1,475,060	(0.0470)	\$ (69,328)	\$ (867,716)	\$ (951,617)	6.01%	30	\$ (4,701)	\$ (872,417)
20	July	\$ (872,417)	\$ 98,908	855,316	(0.0470)	\$ (40,200)	\$ (733,309)	\$ (802,863)	6.25%	31	\$ (4,262)	\$ (737,571)
21	August	\$ (737,571)	\$ 101,412	731,540	(0.0470)	\$ (34,382)	\$ (601,777)	\$ (669,674)	6.44%	31	\$ (3,663)	\$ (605,440)
22	September	\$ (605,440)	\$ 144,762	744,852	(0.0470)	\$ (35,008)	\$ (425,670)	\$ (515,555)	6.59%	30	\$ (2,792)	\$ (428,462)
23	October	\$ (428,462)	\$ 360,101	955,757	(0.0470)	\$ (44,921)	\$ (23,440)	\$ (225,951)	6.75%	31	\$ (1,295)	\$ (24,735)
24	November	\$ (24,735)		1,425,728	(0.0470)	\$ (67,009)	\$ 42,274	\$ 8,770	7.00%	30	\$ 50	\$ 42,324
25	December	\$ 42,324					\$ 42,324	\$ 42,324	7.15%	31	\$ 257	\$ 42,581
26	January 2006	\$ 42,581					\$ 42,581	\$ 42,581	7.26%	31	\$ 263	\$ 42,844

Section 6
Page 3 of 4

Line No.	Description	2005 January (1)	February (2)	March (3)	April (4)	May (5)	June (6)	July (7)	August (8)	September (9)	October (10)	November (11)	December (12)	2006 January (13)
Peak Gas Costs														
1	Total Peak Demand (Sect. 5, Form III, Sch. 4, Ln 9)	6,280,850	6,493,155	6,446,360	2,649,378	996,628	1,168,688	1,188,237	(382,922)	1,218,312	1,267,928	3,911,548	4,212,048	4,658,452
2	Plus Special Deal Margin (Sect. 5, Form III, Sch. 4, Ln 6)	593,322	432,703	394,415	370,530	-	63,885	2,598	1,538	-	315	-	40,000	-
3	Plus Inter. Sales Margin (Sect. 5, Form III, Sch. 4, Ln 7)	12,537	1,149	268	51,950	110,021	98,508	191,982	162,167	240,300	104,092	39,802	10,019	246
4	Working Capital Demand Gas Costs	6,886,709	6,927,007	6,841,043	3,071,858	1,106,649	1,331,081	1,382,817	(219,217)	1,458,612	1,372,335	3,951,350	4,262,067	4,658,698
5	Total Peak Commodity (Sect. 5, Form III, Sch. 4, Ln 27)	51,253,627	40,756,736	38,567,846	14,866,789	51,693	165,942	91,186	91,997	154,386	15,880	40,117,516	54,112,032	80,623,115
6	Plus Flowing Supply (Sect. 5, Form III, Sch. 4, Ln 16)	993,349	527,124	83,735	405,918	-	-	-	-	-	-	958,284	157,601	1,211
7	Working Capital Commodity Gas Costs	52,246,976	41,283,860	38,651,581	15,272,707	51,693	165,942	91,186	91,997	154,386	15,880	41,075,800	54,269,633	80,624,326
Off-Peak Gas Costs														
8	Total Off Peak Demand (Sect. 5, Form III, Sch. 4, Ln 9)	-	-	-	-	1,354,489	1,427,283	1,484,089	1,420,653	1,426,875	\$1,422,623	-	-	-
9	Working Capital Demand Gas Costs	-	-	-	-	1,354,489	1,427,283	1,484,089	1,420,653	1,426,875	1,422,623	-	-	-
10	Total Off Peak Commodity (Sect. 5, Form III, Sch. 4, Ln 27)	-	-	-	-	16,121,895	6,052,619	6,446,749	7,133,166	10,572,546	28,235,222	-	-	-
11	Plus Flowing Supply (Sect. 5, Form III, Sch. 4, Ln 16)	-	-	-	-	503,723	1,842,882	1,533,223	1,059,661	647,517	796,953	-	-	-
12	Working Capital Commodity Gas Costs	-	-	-	-	16,625,618	7,895,501	7,979,972	8,192,827	11,220,063	29,032,175	-	-	-
13	Weighted Net Lag Days (Pg. 4 of 4)	30.88	30.68	30.58	30.12	30.06	30.50	30.31	30.27	31.55	30.33	30.32	25.30	25.30
14	Net Lead/Lag Days (Ln 13/365)	8.4600%	8.4050%	8.3780%	8.2520%	8.2360%	8.3560%	8.3040%	8.2930%	8.6440%	8.3100%	8.3070%	6.9320%	6.9320%
Working Capital Requirement - Peak Period														
15	Demand (Ln 4 * Ln 14)	582,616	582,215	573,143	253,490	91,144	111,225	114,829	(18,180)	126,082	114,041	328,239	295,446	322,941
16	Commodity Costs (Ln 7 * Ln 14)	4,420,094	3,469,908	3,238,229	1,260,304	4,257	13,866	7,572	7,629	13,345	1,320	3,412,167	3,761,971	5,588,878
Working Capital Requirement - Off-Peak														
17	Demand (Ln 9 * Ln 14)	-	-	-	-	111,556	119,264	123,239	117,815	123,339	118,220	-	-	-
18	Commodity Costs (Ln 12 * Ln 14)	-	-	-	-	1,369,286	659,748	662,657	679,431	969,862	2,412,574	-	-	-
19	Before Tax Return (See Lines 24 through 29)	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	11.71%	11.71%
Working Capital Allowance - Peak Period														
20	Demand (Ln 15 * Ln 19)	86,961	86,901	85,547	37,836	13,604	16,601	17,139	(2,713)	18,819	17,022	48,993	34,597	37,816
21	Commodity Costs (Ln 16 * Ln 19)	659,743	517,919	483,338	188,113	635	2,070	1,130	1,139	1,992	197	509,300	440,527	654,458
Working Capital Allowance - Off - Peak														
22	Demand (Ln 17 * Ln 19)	-	-	-	-	16,651	17,801	18,395	17,585	18,410	17,646	-	-	-
23	Commodity Costs (Ln 18 * Ln 19)	-	-	-	-	204,380	98,474	98,908	101,412	144,762	360,101	-	-	-
24	Allowed Rate of Return	8.22%												
25	Less Debt Component	2.82%												
26	Equity Component (Ln 24 less Ln. 25)	5.40%												
27	Effective Tax Rate	39.225%												
28	Equity with Income Tax (Ln 26/1-Ln 27)	8.89%												
29	Before Tax Return (Ln 25 + Ln 28)	11.71%												

BAY STATE GAS COMPANY
Working Capital Calculation of Lead/Lag Days for Peak and Off Peak Period Combined
For the Period January 2005 through November 2005

Section 6
Page 4 of 4

<u>Ln</u> <u>No.</u>	<u>Item</u>	<u>Date</u>	<u>Natural Gas Commodity</u>	<u>Undergrd Storage Withdrawals Commodity</u>	<u>Demand & Capacity (Excl. P&S)</u>	<u>LNG Commodity (Withdrawals & Boil Off)</u>	<u>LPG Commodity (Withdrawals)</u>	<u>Off-System Commodity</u>	<u>Manual Billed Interruptible Commodity</u>	<u>Total (Excl. S&P & Incl. Flowing Supplies)</u>
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Lag Days (Last Approved)		66.50	66.50	66.50	66.50	66.50	34.10	35.10	
2	Lead Days (Last Approved)		<u>36.40</u>	<u>33.80</u>	<u>36.40</u>	<u>33.80</u>	<u>33.80</u>	<u>36.00</u>	<u>36.00</u>	
3	Net Lag Days		30.10	32.70	30.10	32.70	32.70	(1.90)	(0.90)	
4	Sendout	Jan-05	34,694,968	12,180,940	6,886,709	5,749,181	(378,113)	-	-	59,133,686
5	Percent of sendout cost		58.67%	20.60%	11.65%	9.72%	-0.64%	0.00%	0.00%	100.00%
6	Weighted Lag Days (Mon. % * Ln. 3)		17.66	6.74	3.51	3.18	(0.21)	-	-	30.88
7	Sendout	Feb-05	30,456,502	10,528,963	6,927,006	358,537	(60,143)	-	-	48,210,866
8	Percent of sendout cost		63.17%	21.84%	14.37%	0.74%	-0.12%	0.00%	0.00%	100.00%
9	Weighted Lag Days (Mon. % * Ln. 3)		19.01	7.14	4.33	0.24	(0.04)	-	-	30.68
10	Sendout	Mar-05	30,054,449	8,392,319	6,841,042	395,505	(190,693)	-	-	45,492,623
11	Percent of sendout cost		66.06%	18.45%	15.04%	0.87%	-0.42%	0.00%	0.00%	100.00%
12	Weighted Lag Days (Mon. % * Ln. 3)		19.88	6.03	4.53	0.28	(0.14)	-	-	30.58
13	Sendout	Apr-05	15,138,534	543,391	3,071,858	279,644	(688,862)	-	-	18,344,565
14	Percent of sendout cost		82.52%	2.96%	16.75%	1.52%	-3.76%	0.00%	0.00%	100.00%
15	Weighted Lag Days (Mon. % * Ln. 3)		24.84	0.97	5.04	0.50	(1.23)	-	-	30.12
16	Sendout	May-05	16,981,471	657,036	2,461,138	(798,876)	(162,320)	-	-	19,138,449
17	Percent of sendout cost		88.73%	3.43%	12.86%	-4.17%	-0.85%	0.00%	0.00%	100.00%
18	Weighted Lag Days (Mon. % * Ln. 3)		26.71	1.12	3.87	(1.36)	(0.28)	-	-	30.06
19	Sendout	Jun-05	6,390,365	280,118	2,758,360	950,194	440,767	-	-	10,819,803
20	Percent of sendout cost		59.06%	2.59%	25.49%	8.78%	4.07%	0.00%	0.00%	100.00%
21	Weighted Lag Days (Mon. % * Ln. 3)		17.78	0.85	7.67	2.87	1.33	-	-	30.50
22	Sendout	Jul-05	7,244,007	404,342	2,866,905	457,082	(34,273)	-	-	10,938,063
23	Percent of sendout cost		66.23%	3.70%	26.21%	4.18%	-0.31%	0.00%	0.00%	100.00%
24	Weighted Lag Days (Mon. % * Ln. 3)		19.94	1.21	7.89	1.37	(0.10)	-	-	30.31
25	Sendout	Aug-05	7,641,930	236,094	1,201,436	389,775	17,025	-	-	9,486,260
26	Percent of sendout cost		80.56%	2.49%	12.67%	4.11%	0.18%	0.00%	0.00%	100.00%
27	Weighted Lag Days (Mon. % * Ln. 3)		24.25	0.81	3.81	1.34	0.06	-	-	30.27
28	Sendout	Sep-05	3,263,512	7,711,227	3,130,994	384,839	14,874	-	-	14,505,447
29	Percent of sendout cost		22.50%	53.16%	21.58%	2.65%	0.10%	0.00%	0.00%	100.00%
30	Weighted Lag Days (Mon. % * Ln. 3)		6.77	17.38	6.50	0.87	0.03	-	-	31.55
31	Sendout	Oct-05	26,229,877	2,419,216	2,342,486	423,320	(24,358)	-	-	31,390,541
32	Percent of sendout cost		83.56%	7.71%	7.46%	1.35%	-0.08%	0.00%	0.00%	100.00%
33	Weighted Lag Days (Mon. % * Ln. 3)		25.15	2.52	2.25	0.44	(0.03)	-	-	30.33
34	Sendout	Nov-05	37,176,802	3,540,057	3,579,215	368,593	(9,651)	-	-	44,655,015
35	Percent of sendout cost		83.25%	7.93%	8.02%	0.83%	-0.02%	0.00%	0.00%	100.00%
36	Weighted Lag Days (Mon. % * Ln. 3)		25.06	2.59	2.41	0.27	(0.01)	-	-	30.32

TAB 7
Refunds

May R-1 (OFF PEAK RATE)

**BAY STATE GAS COMPANY
Passback of Supplier Refunds
Off Peak Rate Reconciliation
Effective May 2006**

Section 7

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Estimated Balance April 30, 2006 (Pg. 2, Ln. 6, Col. 10)	\$0
2	Forecasted monthly interest for the period May 2006 through April 2007 (Pg. 2, Ln. 19, Col. 9)	<u>\$0</u>
3	Total R-1 refunds (Line 1 + Line 2)	\$0
4	Forecasted firm sales May 2006 through April 2007 (Section 4)	6,808,895 MMBtu
5	Rate effective May 2006 (Line 3 / Line 4)	- \$/MMBtu

Bay State does not expect to receive any material refunds in the immediate future. Due to the small balance in the Off-peak Supplier Refund Reconciliation account, Bay State proposes to transfer this amount to the Peak period and collect/passback the combined amount effective November 1, 2006.

TAB 8
Bad Debt

BAY STATE GAS COMPANY
Bad Debt Recovery
Effective May 2006

Section 8
Page 1 of 3

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Estimated Balance April 30, 2006 (Section 8, Page 2, Line 6, col. 1)	(\$92,886)
2	Estimated bad debt write-offs - May 2006 through April 2007 (Section 8, Pg 3, Line 9)	\$8,458,474
3	Estimated bad debt working capital allowance (Section 8, Pg 3, Line 20)	\$68,641
4	Forecasted monthly interest for period May 2006 through April 2007 (Section 8, Page 2, Line 18, Col. 14)	<u>\$90,022</u>
5	Total estimated bad debt write-offs - May 2006 through April 2007 (lines 1 through 4)	\$8,524,251
6	Forecasted firm sales volumes - May 2006 through April 2007 (Section 4)	<u>34,278,270</u> MMBtu
7	Rate effective May 2006 (line 5 / line 6)	\$0.249 \$/MMBtu

BAY STATE GAS COMPANY
Forecasted Bad Debt Recovery Reconciliation
For the Period January 2006 through April 2007

Section 8
Page 2 of 3

<u>Line No.</u>	<u>Month</u>	<u>Year</u>	<u>Actual/ Estimate</u>	<u>Beginning Mth Balance</u>	<u>Total Write-Offs</u>	<u>Gas % Write-off *</u>	<u>Gas Write-Offs</u>	<u>Wkging Cap Allowance</u>	<u>Recovery Factor</u>	<u>Firm Sales Vol. MMBtu</u>	<u>Collections</u>	<u>Ending Mth Bal.</u>	<u>Average Mth Bal.</u>	<u>Interest Rate</u>	<u>No. Days</u>	<u>Monthly Interest (13=10*11/365*12)</u>	<u>Balance w/ Interest (14=9+13)</u>
				(1)	(2)	(3)	(4=2*3)	(5)	(6)	(7)	(8=6*7)	(9=1+4+5+8)	(10=(1+9)/2)	(11)	(12)		
1	January	06	Act	\$4,677,762	\$453,095	74.20%	\$336,196	\$2,727	\$0.327	5,711,617	(\$1,867,699)	\$3,148,986	\$3,913,374	7.26%	31	\$24,130	\$3,173,116
2	January Unbilled	06	Est	\$3,173,116					\$0.327	2,790,106	(\$912,365)	\$2,260,751					\$2,260,751
3	February	06	Est	\$2,260,751			\$704,873	\$5,720	\$0.327	5,851,957	(\$1,913,590)	\$1,057,754	\$1,659,253	7.50%	28	\$9,546	\$1,067,301
4	March	06	Est	\$1,067,301			\$704,873	\$5,720	\$0.327	4,878,882	(\$1,595,394)	\$182,499	\$624,900	7.50%	31	\$3,981	\$186,480
5	April	06	Est	\$186,480			\$704,873	\$5,720	\$0.327	3,028,275	(\$990,246)	(\$93,173)	\$46,653	7.50%	30	\$288	(\$92,886)
6	May	06	Est	(\$92,886)			\$704,873	\$5,720	\$0.249	1,328,884	(\$330,892)	\$286,815	\$96,965	7.50%	31	\$618	\$287,433
7	June	06	Est	\$287,433			\$704,873	\$5,720	\$0.249	815,970	(\$203,177)	\$794,849	\$541,141	7.50%	30	\$3,336	\$798,185
8	July	06	Est	\$798,185			\$704,873	\$5,720	\$0.249	862,680	(\$214,807)	\$1,293,970	\$1,046,078	7.50%	31	\$6,663	\$1,300,634
9	August	06	Est	\$1,300,634			\$704,873	\$5,720	\$0.249	737,807	(\$183,714)	\$1,827,513	\$1,564,073	7.50%	31	\$9,963	\$1,837,476
10	September	06	Est	\$1,837,476			\$704,873	\$5,720	\$0.249	954,536	(\$237,679)	\$2,310,389	\$2,073,932	7.50%	30	\$12,785	\$2,323,174
11	October	06	Est	\$2,323,174			\$704,873	\$5,720	\$0.249	2,109,018	(\$525,145)	\$2,508,621	\$2,415,897	7.50%	31	\$15,389	\$2,524,010
12	November	06	Est	\$2,524,010			\$704,873	\$5,720	\$0.249	3,493,083	(\$869,778)	\$2,364,825	\$2,444,418	7.50%	30	\$15,068	\$2,379,894
13	December	06	Est	\$2,379,894			\$704,873	\$5,720	\$0.249	5,334,427	(\$1,328,272)	\$1,762,214	\$2,071,054	7.50%	31	\$13,192	\$1,775,406
14	January	07	Est	\$1,775,406			\$704,873	\$5,720	\$0.249	6,215,210	(\$1,547,587)	\$938,412	\$1,356,909	7.50%	31	\$8,643	\$947,055
15	February	07	Est	\$947,055			\$704,873	\$5,720	\$0.249	5,329,844	(\$1,327,131)	\$330,517	\$638,786	7.50%	28	\$3,675	\$334,192
16	March	07	Est	\$334,192			\$704,873	\$5,720	\$0.249	4,416,382	(\$1,099,679)	(\$54,894)	\$139,649	7.50%	31	\$890	(\$54,004)
17	April	07	Est	(\$54,004)			\$704,873	\$5,720	\$0.249	2,680,429	(\$667,427)	(\$10,838)	(\$32,421)	7.50%	30	(\$200)	(\$11,038)
18	Total (May 2006 through April 2007)						\$8,458,474	\$68,641		\$34,278,270	(\$8,535,289)					\$90,022	

* Actual gas % write-off is a 12-month rolling average calculated by dividing gas revenues by total firm sales and firm transportation revenues.

** Estimated gas write-offs (lines 3 through 17) were calculated by multiplying total forecasted gas costs by 2.15%. (see Pg. 3 Ln. 8) to obtain an annual gas write-off consistent with previous filings. The annual gas write-off amount is then spread equally over 12 months.

BAY STATE GAS COMPANY
Bad Debt Working Capital Calculation
Effective May 2006

Section 8
Page 3 of 3

<u>Ln. No.</u>	<u>Description</u>	<u>Amount</u>
1	Estimated bad debt write-offs - May 2006 through April 2007	
2	Annual off-peak demand forecasted gas costs (Sect. 3, Pg 4, Ln. 14)	\$5,155,830
3	Annual off-peak commodity forecasted gas costs (Sect. 3, Pg 5, Ln. 9)	\$55,146,530
4	Annual peak demand forecasted gas costs (Sect. 3, Pg 6, Ln. 14)	\$47,502,976
5	Annual peak commodity forecasted gas costs (Sect. 3, Pg 7, Ln. 9)	<u>\$285,612,045</u>
6	Total annual forecasted gas costs (Lines 2 + 3 + 4 + 5)	\$393,417,381
7	Allowed percent	<u>2.15%</u>
8	Total annual gas write-offs	<u>\$ 8,458,474</u>
9	May 2006 through April 2007 gas write-offs (line 8)	\$ 8,458,474
10	Weighted net lag days (per rate case)	25.30
11	Net lead/lag requirement (Line 10 / 365 Days)	6.93%
12	Base working capital requirement (Line 9 times Line 11)	\$586,172
13	Cost of capital (per rate case)	8.22%
14	Weighted cost of debt (per rate case at D.T.E. - 05-27.)	2.82%
15	Weighted Cost of Equity - Line 13 minus Line 14	5.40%
16	Combined Tax Rate - Per Section 5.00 of the CGAC	39.225%
17	1 - Combined tax rate	60.775%
18	Pre-Tax Adjusted Weighted Cost of Equity - Line 15 divided by Line 17	8.89%
19	Pre-Tax Weighted Cost of Capital - Line 14 plus Line 18	11.71%
20	Bad Debt Working Capital Allowance: (Line 12 times Line 19)	\$68,641
21	Monthly Bad Debt Working Capital Allowance (Line 20 / 12 months)	\$5,720

TAB 9
DSM Filing

Bay State Gas Company

Summary of Conservation Charges Effective May 1, 2006

Reflects the Recovery of:

- 1) DSM Implementation Costs - Summary of Charges
- 2) LNR 20 Residential Heating Lost Net Revenues (May 1, 2006 - October 31, 2006)
- 3) LNR 20 Residential Non-Heating Lost Net Revenues (May 1, 2006 - October 31, 2006)
- 4) LNR 20 Commercial Lost Net Revenues (May 1, 2006 - October 31, 2006)
- 5) LNR 21 Residential Heating Lost Net Revenues (May 1, 2006 - April 30, 2007)
- 6) LNR 21 Residential Non-Heating Lost Net Revenues (May 1, 2006 - April 30, 2007)
- 7) LNR 21 Commercial Lost Net Revenues (May 1, 2006 - April 30, 2007)
- 8) Residential Heating DSM Implementation Costs and Recovery (May 1, 2006 - April 30, 2007)
- 9) Residential Non-Heating DSM Implementation Costs and Recovery (May 1, 2006 - April 30, 2007)
- 10) Commercial DSM Implementation Costs and Recovery (May 1, 2006 - April 30, 2007)
- 11) Recovery of Performance Incentive for Program YR 1 May 2004 - April 2005 (May 1, 2006 - October 31, 2006)

	RESIDENTIAL		COMMERCIAL
CONSERVATION CHARGES (CC) per Therm	Heating	Non-Heating	
DSM Implementation Costs (Eff. May 2006 - April 2007)	\$0.0070	\$0.0004	\$0.0086
Lost Net Revenues No.20 (Eff. May 2006 - October 2006)	\$0.0011	\$0.0003	\$0.0012
Lost Net Revenues No.21 (Eff. May 2006 - April 2007)	\$0.0006	\$0.0001	\$0.0007
Performance Incentive Recovery (Eff. May 2006 - October 2006)	\$0.0004	\$0.0004	\$0.0004
CC's Effective May 1, 2006	\$0.0091	\$0.0012	\$0.0109

TAB 10
Remediation Charges

BAY STATE GAS COMPANY
Remediation Adjustment Clause (RAC) Calculation
Effective May 2006

<u>Line No.</u>		<u>Total</u>	<u>Unamortized</u>
1	From annual Remediation Adjustment Clause Compliance Filing filed January 31st for each previous calendar year		
2	- ERC 2005 Unamortized 7/7 of Total	\$1,952,945	\$1,952,945
3	- ERC 2004 Unamortized 6/7 of Total	\$2,240,672	\$1,920,576
4	- ERC 2003 Unamortized 5/7 of Total	\$5,057,661	\$3,612,615
5	- ERC 2002 Unamortized 4/7 of Total	\$899,086	\$513,763
6	- ERC 2001 Unamortized 3/7 of Total	\$891,237	\$381,957
7	- ERC 2000 Unamortized 2/7 of Total	\$1,571,616	\$449,031
8	- ERC 1999 Unamortized 1/7 of Total	\$1,667,218	\$238,174
9	Total	<u>\$14,280,435</u>	<u>\$9,069,061</u>
10	One-seventh of actual response costs (Line 9 Total divided by 7 years)	\$2,040,062	
11	Combined Tax Rate - Per Section 4.07 of the LDAC	39.225%	
12	Deferred Tax - Line 9 Unamortized times Line 11	<u>\$3,557,339</u>	
13	Weighted Cost of Capital (WCC) - approved most recent rate case	8.22%	
14	Weighted Cost of Debt (WCD) - approved most recent rate case	<u>2.82%</u>	
15	Weighted Cost of Equity - Line 13 minus Line 14	5.40%	
16	Reciprocal tax factor - 100% minus Line 11	<u>60.775%</u>	
17	Pre-Tax Adjusted Weighted Cost of Equity - Line 15 divided by Line 16	8.89%	
18	Pre-Tax Weighted cost of Capital - Line 14 plus Line 17	11.71%	
19	Deferred Tax Benefit (DTB) - Line 12 times Line 18	\$416,564	
20	Insurance Expenses/Recoveries (IE/IR) - Current year per annual Remediation Adjustment Clause Compliance Filing filed January 30th.	\$21,147	
21	Net Expenses/Recoveries - Line 20 times 50%	\$10,574	
22	RAC Reconciliation Adjustment - Page 2, Line 15	<u>\$76,626</u>	
23	Net Recoverable Remediation Adjustment Costs - Line 10 minus Line 19 plus Line 21 plus Line 22	\$1,710,698	
24	Annual Firm Sales and Firm Transportation Volumes in MMBtu	<u>46,802,550</u>	MMBtu
25	Net Recoverable ERC Per Unit (RAC)	<u>\$0.0370</u>	\$/MMBtu
26	Rate effective May 1, 2006 per Therm (line 25/ 10)	<u>\$0.0037</u>	\$/Therm

BAY STATE GAS COMPANY
Forecasted Environmental Remediation Reconciliation
For the period of May 2005 through April 2006

Section 10
Page 2 of 2

<u>Line No.</u>	<u>Month</u>		<u>Beginning Balance</u> (1)	<u>Sub 0000 Site Costs</u> (2)	<u>Sub 1000 Deferred Tax Benefit</u> (3)	<u>Sub 2000 Net Insurance Exp/Recoveries</u> (4)	<u>MMBtu Firm Sales & Transp</u> (5)	<u>Recovery Rate</u> (6)	<u>Sub 9000 Customer Recovery</u> (7=5 x 6)	<u>Acct 182.70 Ending Balance</u> (8 =1+2+3+4-7)
1	May (Winter) 2005	Act	22,323				2,018,259	0.029	58,530	(36,207)
2	May (Summer)	Act	(36,207)	2,009,702	(23,661)		1,035,179	0.029	30,020	1,919,814
3	June	Act	1,919,814		(16,468)		2,284,375	0.029	66,247	1,837,099
4	July	Act	1,837,099		(17,108)		1,504,999	0.029	43,645	1,776,346
5	August	Act	1,776,346		(15,591)		1,341,653	0.029	38,908	1,721,847
6	September	Act	1,721,847		(18,579)		1,387,457	0.029	40,236	1,663,032
7	October	Act	1,663,032		(34,090)		1,621,335	0.029	47,019	1,581,923
8	November (Summer)	Act	1,581,923				2,259,273	0.029	65,519	1,516,404
9	November (Winter)	Act	1,516,404		(53,341)		1,127,571	0.030	33,827	1,429,236
10	December	Act	1,429,236		(78,354)		5,745,591	0.030	172,368	1,178,514
11	January 2006	Act	1,178,514		(90,587)		7,284,512	0.030	218,535	869,392
12	February	Est	869,392		(78,520)		6,868,645	0.030	206,059	584,813
13	March	Est	584,813		(65,877)		5,763,643	0.030	172,909	346,027
14	April	Est	346,027		(42,259)		3,720,151	0.030	111,605	192,163
15	January Unbilled Volumes	Est	192,163				3,851,230	0.030	115,537	76,626
16	Annual Total (Lines 2 through 15)				(534,435)		45,795,613		1,362,434	

TAB 11
Interruptible Transportation

BAY STATE GAS COMPANY
Off Peak Interruptible Transportation Margin Credit
Effective May 2006

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Interruptible Transportation margins allocated to Off-peak Period (See Page 2, Line 17, Column 5)	\$0
2	Forecasted monthly interest for period May 2006 through October 2006 (Page 2, Line 17, Column 10)	\$0
3	Estimated Off-peak Reconciliation Adjustment April 30, 2006 (Page 2, Line 5, Column 1)	<u>\$0</u>
4	Total Off-peak Interruptible Transportation Margin Credit (Line 1 + Line 2 + Line 3)	\$0
5	Forecasted Off-peak Firm sales and Firm transportation volumes - May 2006 through April 2007 (Section 4, Line 14, Column 7)	37,682,863 MMBtu
6	Rate Effective May 1, 2006 (Line 4 / Line 5)	\$0.000 \$/MMBtu

Bay State Gas has not had any interruptible transportation activity for some time, and does not expect to have any for the immediate future. The balance for the off-peak amount was transferred to Environmental Remediation Reconciliation (Section 10) in February 2005. A small amount for the Peak Period that still exists will be transferred to the Environmental Remediation Reconciliation in July 2006.

TAB 12
Exogenous Factor

BAY STATE GAS COMPANY
Exogenous Factor
Effective May 2006

Section 12
Page 1 of 5

<u>Ln.</u> <u>No.</u>	<u>Item</u> (1)	<u>Residential</u> <u>Heat</u> (2)	<u>Residential</u> <u>Non-Heat</u> (3)	<u>Commercial</u> <u>& Industrial</u> (4)
1	Estimated Balance April 30, 2006 (Page 2-4, Line 9, Column 1)	62,539	6,478	73,847
2	Forecasted Monthly Interest May 2006 - October 2006 (Pages 2-4, Line 15, Column 10)	<u>1,338</u>	<u>125</u>	<u>1,468</u>
3	Exogenous Costs plus Interest (Line 1 + Line 2)	63,877	6,602	75,315
4	Forecasted Firm and Transportation Sales MMBtu May 2006 - October 2006	4,464,007	237,246	6,306,118
5	Rate Effective May 2006 \$/MMBtu	\$0.014	\$0.028	\$0.012

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period November 2005 through October 2006

Section 12

Page 2 of 5

<u>Line No.</u>	<u>Month</u>		<u>Beginning Balance</u> (1)	<u>Recovery Rate</u> (2)	<u>Firm & Trans Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous Revenue</u> (5)	<u>Ending Month Bal</u> (6) = (1)-(4)+(5)	<u>Average Month Bal</u> (7) = ((1)+(6))/2	<u>Interest Rate</u> (8)	<u># Days</u> (9)	<u>Monthly Interest</u> (10) = (7)* ((8)/365))*(9)	<u>Ending Bal Plus Interest</u> (11) = (6)+(10)
Residential Heating													
1	November (Summer)	05 Act	1,091,730	0.054	990,866	53,507							
2	November (Winter)	05 Act		0.055	654,742	36,011		1,002,212	1,046,971	7.00%	30	6,024	1,008,236
3	December	05 Act	1,008,236	0.055	3,140,295	172,716		835,520	921,878	7.15%	31	5,598	841,118
4	January	06 Act	841,118	0.055	3,971,205	218,416		622,702	731,910	7.26%	31	4,513	627,215
5	January Unbilled	06 Est	627,215	0.055	1,914,210	105,282							521,933
6	February	06 Est	521,933	0.055	3,621,021	199,156		322,777	422,355	7.50%	28	2,430	325,207
7	March	06 Est	325,207	0.055	2,997,538	164,865		160,342	242,775	7.50%	31	1,546	161,889
8	April	06 Est	161,889	0.055	1,818,893	100,039		61,850	111,869	7.50%	30	690	62,539
9	May	06 Est	62,539	0.014	877,862	12,290		50,249	56,394	7.50%	31	359	50,609
10	June	06 Est	50,609	0.014	525,943	7,363		43,245	46,927	7.50%	30	289	43,535
11	July	06 Est	43,535	0.014	548,736	7,682		35,852	39,693	7.50%	31	253	36,105
12	August	06 Est	36,105	0.014	471,924	6,607		29,498	32,802	7.50%	31	209	29,707
13	September	06 Est	29,707	0.014	624,532	8,743		20,964	25,335	7.50%	30	156	21,120
14	October	06 Est	21,120	0.014	1,415,010	19,810		1,310	11,215	7.50%	31	71	1,381
15	Total May 2006 - October 2006				4,464,007	62,496						1,338	

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period November 2005 through October 2006

Section 12

Page 3 of 5

<u>Line No.</u>	<u>Month</u>		<u>Beginning</u> <u>Balance</u> (1)	<u>Recovery</u> <u>Rate</u> (2)	<u>Firm & Trans</u> <u>Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous</u> <u>Factor</u> (5)	<u>Ending</u> <u>Month Bal</u> (6) = (1)-(4)+(5)	<u>Average</u> <u>Month Bal</u> (7) = ((1)+(6))/2	<u>Interest</u> <u>Rate</u> (8)	<u># Days</u> (9)	<u>Monthly</u> <u>Interest</u> (10) = (7)* ((8)/365)*(9)	<u>Ending Bal</u> <u>Plus Interest</u> (11) = (6)+(10)
<i>Residential Non-Heating</i>													
1	November (Summer)	05 Act	31,905	0.102	29,737	3,033							
2	November (Winter)	05 Act		0.072	21,282	1,532		27,340	29,622	7.00%	30	170	27,510
3	December	05 Act	27,510	0.072	59,088	4,254		23,256	25,383	7.15%	31	154	23,410
4	January	06 Act	23,410	0.072	66,749	4,806		18,604	21,007	7.26%	31	130	18,733
5	January Unbilled	06 Est	18,733	0.072	34,423	2,478							16,255
6	February	06 Est	16,255	0.055	67,265	3,700		12,555	14,405	7.50%	28	83	12,638
7	March	06 Est	12,638	0.055	62,002	3,410		9,228	10,933	7.50%	31	70	9,298
8	April	06 Est	9,298	0.055	52,157	2,869		6,429	7,863	7.50%	30	48	6,478
9	May	06 Est	6,478	0.028	40,340	1,130		5,348	5,913	7.50%	31	38	5,386
10	June	06 Est	5,386	0.028	36,679	1,027		4,359	4,872	7.50%	30	30	4,389
11	July	06 Est	4,389	0.028	40,583	1,136		3,252	3,821	7.50%	31	24	3,277
12	August	06 Est	3,277	0.028	35,487	994		2,283	2,780	7.50%	31	18	2,301
13	September	06 Est	2,301	0.028	37,815	1,059		1,242	1,771	7.50%	30	11	1,253
14	October	06 Est	1,253	0.028	46,342	1,298		(45)	604	7.50%	31	4	(41)
15	Total May 2006 - October 2006				237,246	6,643						125	

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period November 2005 through October 2006

Section 12

Page 4 of 5

<u>Line No.</u>	<u>Month</u>		<u>Beginning</u> <u>Balance</u> (1)	<u>Recovery</u> <u>Rate</u> (2)	<u>Firm & Trans</u> <u>Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous</u> <u>Factor</u> (5)	<u>Ending</u> <u>Month Bal</u> (6) = (1)-(4)+(5)	<u>Average</u> <u>Month Bal</u> (7) = ((1)+(6))/2	<u>Interest</u> <u>Rate</u> (8)	<u># Days</u> (9)	<u>Monthly</u> <u>Interest</u> (10) = (7)* ((8)/365)*(9)	<u>Ending Bal</u> <u>Plus Interest</u> (11) = (6)+(10)
Commercial & Industrial (includes Multi-family)													
1	November (Summer)	05 Act	1,342,840	0.071	1,238,658	87,945							
2	November (Winter)	05 Act		0.076	451,540	34,317		1,220,578	1,281,709	7.00%	30	7,374	1,227,952
3	December	05 Act	1,227,952	0.076	2,546,200	193,511		1,034,441	1,131,197	7.15%	31	6,869	1,041,311
4	January	06 Act	1,041,311	0.076	3,246,542	246,737		794,573	917,942	7.26%	31	5,660	800,233
5	January Unbilled	06 Est	800,233	0.076	1,902,598	144,597							655,636
6	February	06 Est	655,636	0.076	3,180,359	241,707		413,929	534,782	7.50%	28	3,077	417,006
7	March	06 Est	417,006	0.076	2,704,103	205,512		211,494	314,250	7.50%	31	2,002	213,496
8	April	06 Est	213,496	0.076	1,849,101	140,532		72,964	143,230	7.50%	30	883	73,847
9	May	06 Est	73,847	0.012	1,148,580	13,783		60,064	66,955	7.50%	31	426	60,490
10	June	06 Est	60,490	0.012	890,470	10,686		49,805	55,147	7.50%	30	340	50,145
11	July	06 Est	50,145	0.012	931,877	11,183		38,962	44,553	7.50%	31	284	39,246
12	August	06 Est	39,246	0.012	848,526	10,182		29,064	34,155	7.50%	31	218	29,281
13	September	06 Est	29,281	0.012	961,448	11,537		17,744	23,512	7.50%	30	145	17,889
14	October	06 Est	17,889	0.012	1,525,217	18,303		(414)	8,737	7.50%	31	56	(358)
15	Total May 2006 - October 2006				6,306,118	75,673						1,468	

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period November 2005 through October 2006

Section 12

Page 5 of 5

<u>Line No.</u>	<u>Month</u>		<u>Beginning</u> <u>Balance</u> (1)	<u>Recovery</u> <u>Rate</u> (2)	<u>Firm & Trans</u> <u>Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous</u> <u>Factor</u> (5)	<u>Ending</u> <u>Month Bal</u> (6) = (1)-(4)+(5)	<u>Average</u> <u>Month Bal</u> (7) = ((1)+(6))/2	<u>Interest</u> <u>Rate</u> (8)	<u># Days</u> (9)	<u>Monthly</u> <u>Interest</u> (10) = (7)* ((8)/365))*(9)	<u>Ending Bal</u> <u>Plus Interest</u> (11) = (6)+(10)
Total Exogenous Factor													
1	November (Summer)	05 Act	2,466,475		2,259,261	144,485							
2	November (Winter)	05 Act			1,127,564	71,860		2,250,130	2,358,303	7.00%	30	13,568	2,263,698
3	December	05 Act	2,263,698		5,745,583	370,482		1,893,217	2,078,458	7.15%	31	12,622	1,905,838
4	January	06 Act	1,905,838		7,284,495	469,959		1,435,879	1,670,859	7.26%	31	10,303	1,446,182
5	January Unbilled	06 Est	1,446,182		3,851,230	252,357		1,193,824	1,320,003				1,193,824
6	February	06 Est	1,193,824		6,868,645	444,563		749,261	971,543	7.50%	28	5,590	754,851
7	March	06 Est	754,851		5,763,643	373,787		381,064	567,958	7.50%	31	3,618	384,682
8	April	06 Est	384,682		3,720,151	243,439		141,243	262,962	7.50%	30	1,621	142,864
9	May	06 Est	142,864		2,066,782	27,203		115,661	129,262	7.50%	31	823	116,485
10	June	06 Est	116,485		1,453,092	19,076		97,409	106,947	7.50%	30	659	98,068
11	July	06 Est	98,068		1,521,196	20,001		78,067	88,067	7.50%	31	561	78,628
12	August	06 Est	78,628		1,355,937	17,783		60,845	69,736	7.50%	31	444	61,289
13	September	06 Est	61,289		1,623,795	21,340		39,949	50,619	7.50%	30	312	40,262
14	October	06 Est	40,262		2,986,569	39,410		851	20,556	7.50%	31	131	982
15	Total May 2006 - October 2006				11,007,371	144,812						2,931	

TAB 13
Pension/PBOP Expense Factor

Bay State Gas Company
Pension/PBOP Expense Factor
Effective May 1, 2006

Line No.	Date	Act./ Est.	Beginn'g Mth Bal. (1)	Expected Recovery (2)	Recovery Rate (3)	Actual Firm Sales & Transp. (4) (MMBtu)	Recoveries (5) = (3*4)	Special Contract Recoveries	Ending Mth Bal. (6)=(1+2+5)	Average Mth Bal. (7)=(1+6)/2	Interest Rate (8)	No. of Days (9)	Monthly Interest (10)= (7*8*9/365)	Balance w/ Interest (11)=(6+10)
1	Dec-05	Act	\$0	\$813,285	\$0.1190	2,549,050	(\$303,337)	(\$10,450)	\$499,498	\$249,749	7.15%	31	\$1,517	\$501,015
2	Jan-06	Act	\$501,015	\$939,429	\$0.1190	7,284,512	(\$866,857)	(\$4,000)	\$569,587	\$535,301	7.26%	31	\$3,301	\$572,888
3	Jan. Unbilled	Est	\$572,888		\$0.1190	3,851,230	(\$458,296)		\$114,592					\$114,592
4	Feb-06	Est	\$114,592	\$816,075	\$0.1190	6,868,645	(\$817,369)	(\$4,000)	\$109,298	\$111,945	7.50%	28	\$644	\$109,942
5	Mar-06	Est	\$109,942	\$684,788	\$0.1190	5,763,643	(\$685,874)	(\$4,000)	\$104,856	\$107,399	7.50%	31	\$684	\$105,540
6	Apr-06	Est	\$105,540	\$441,997	\$0.1190	3,720,151	(\$442,698)	(\$4,000)	\$100,839	\$103,190	7.50%	30	\$636	\$101,475
7	May-06	Est	\$101,475	\$258,973	\$0.1330	2,179,696	(\$289,900)	(\$4,000)	\$66,548	\$136,782	7.50%	31	\$871	\$67,419
8	Jun-06	Est	\$67,419	\$183,316	\$0.1330	1,542,915	(\$205,208)	(\$4,000)	\$41,527	\$54,473	7.50%	30	\$336	\$41,863
9	Jul-06	Est	\$41,863	\$191,098	\$0.1330	1,608,413	(\$213,919)	(\$4,000)	\$15,042	\$28,453	7.50%	31	\$181	\$15,223
10	Aug-06	Est	\$15,223	\$174,432	\$0.1330	1,468,136	(\$195,262)	(\$4,000)	(\$9,607)	\$2,808	7.50%	31	\$18	(\$9,589)
11	Sep-06	Est	(\$9,589)	\$206,074	\$0.1330	1,734,461	(\$230,683)	(\$4,000)	(\$38,198)	(\$23,894)	7.50%	30	(\$147)	(\$38,345)
12	Oct-06	Est	(\$38,345)	<u>\$368,142</u>	\$0.1330	3,098,534	<u>(\$412,105)</u>	(\$4,000)	(\$86,308)	(\$62,327)	7.50%	31	(\$397)	(\$86,705)
				\$5,077,609			(\$5,121,508)							

PEF Effective May 1, 2006

Beg Bal - May 06	\$101,475
Expected Expense - May-Oct 06	\$1,382,035
Sp. Cntrct Collections (May 06 - Oct 06)	(\$24,000)
Interest (May-Oct 06)	<u>\$862</u>
Total to Recover	\$1,460,372
May-Oct Firm throughput	11,007,485
PEF Eff May 1- Oct 31, 2006	\$0.1330

13	Nov-06	Est	(\$86,705)	\$552,673	\$0.1190	4,651,667	(\$553,548)	(\$4,000)	(\$91,580)	(\$89,143)	7.50%	30	(\$550)	(\$92,130)
14	Dec-06	Est	(\$92,130)	<u>\$813,285</u>	\$0.1190	6,845,168	<u>(\$814,575)</u>	(\$4,000)	(\$97,420)	(\$94,775)	7.50%	31	(\$604)	(\$98,024)
Annual				\$5,630,282		50,617,171								

TAB 14
Residential Assistance Adjustment Factor

Bay State Gas Company
Determination of Residential Assistance Adjustment Factor - RAAF
Effective May 2005 through October 2006

<u>Line No.</u>	<u>Description</u> (1)	<u>Amount</u> (2)
1	Beginning Balance: May 1, 2006 (Page 2, Line 4)	\$ 201,870
2	Total Lost Rev: May 2006 - October 2006 (Pg 2, Col 2, Ln 5 - Ln 10) (per DTE 05-27, dated November 30, 2005)	\$ 1,176,354
3	Interest Expense: May 2006 - October 2006 (Pg 2, Col 9, Ln 5 - Ln 10)	<u>\$ 7,857</u>
4	Total (Line 1 + Line 2 + Line 3)	\$ 1,386,081
5	Total Projected MMBtu: May 2006 - October 2006 (Pg 2, Ln 5 - Ln 10)	11,007,485
6	Rate per MMBtu (Line 4 / Line 5)	\$ 0.126

BAY STATE GAS COMPANY
Residential Assistance Adjustment Factor
For the Period February 2006 through October 2006

Line No.	Month	Year		<u>Beginning</u> <u>Mth Balance</u> (1)	<u>Lost</u> <u>Revenue</u> (2)	<u>RAAF</u> <u>Adjustment</u> <u>Factor</u> (3)	<u>Firm Vol</u> <u>MMBtu</u> (4)	<u>RAAF</u> <u>Revenue</u> (5=3*4)	<u>Ending</u> <u>Mth Balance</u> (6=1+2-5)	<u>Average</u> <u>Mth Bal</u> (7=(1+6)/2)	<u>Interest</u> <u>Rate</u> (8)	<u>Monthly</u> <u>Interest</u> (9=(7*8)/12)	<u>Balance</u> <u>W/Interest</u> (10=6+9)
1	January Unbilled	06	Est	143,304	-	0.0700	3,851,230	269,586	(126,282)	8,511	7.26%	51	(126,231)
2	February	06	Est	(126,231)	471,308	0.0700	6,253,596	437,752	(92,675)	(109,453)	7.26%	(662)	(93,337)
3	March	06	Est	(93,337)	519,044	0.0700	5,763,643	403,455	22,252	(35,543)	7.26%	(215)	22,037
4	April	06	Est	22,037	439,569	0.0700	3,720,151	260,411	201,195	111,616	7.26%	675	201,870
5	May	06	Est	201,870	319,789	0.1260	2,066,801	260,417	261,242	231,556	7.26%	1,401	262,643
6	June	06	Est	262,643	193,913	0.1260	1,453,111	183,092	273,464	268,054	7.26%	1,622	275,086
7	July	06	Est	275,086	165,468	0.1260	1,521,215	191,673	248,881	261,984	7.26%	1,585	250,466
8	August	06	Est	250,466	151,652	0.1260	1,355,956	170,850	231,268	240,867	7.26%	1,457	232,725
9	September	06	Est	232,725	151,840	0.1260	1,623,814	204,601	179,964	206,345	7.26%	1,248	181,212
10	October	06	Est	181,212	193,692	0.1260	2,986,588	376,310	(1,406)	89,903	7.26%	544	(862)

Bay State Gas Company
Residential Assistance Adjustment Factor
Estimated Lost Revenue Schedule 1/
Per DTE 05-27, dated November 30, 2005
December 2005 (New Rate) through October 2006

Line No.	Description	2/ New Rate Actual Dec-05	Actual Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Total Dec-05 through Oct-06
1	R4 Customers - SLP 30311-004	9,423	19,815	20,146	21,122	20,678	20,493	20,238	20,482	20,076	19,725	23,898	
2	Customer Charge Difference (\$/Cust)	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	
3	Lost Revenue	\$ 40,519	\$ 85,205	\$ 86,628	\$ 90,825	\$ 88,915	\$ 88,120	\$ 87,023	\$ 88,073	\$ 86,327	\$ 84,818	\$ 102,761	\$ 929,214
4	R4 Usage	1,324,325	3,344,335	3,146,111	3,525,672	2,894,335	1,882,388	828,111	569,684	471,016	489,403	671,533	
5	Distribution Charge Difference (\$/Therm)	0.1167	0.1167	0.1167	0.1167	0.1167	0.1167	0.1167	0.1167	0.1167	0.1167	0.1167	
6	Lost Revenue	\$ 154,549	\$ 390,284	\$ 367,151	\$ 411,446	\$ 337,769	\$ 219,675	\$ 96,641	\$ 66,482	\$ 54,968	\$ 57,113	\$ 78,368	\$ 2,234,446
7	R2 Monthly Billed Customers - SLP 30311-006	986	2,591	2,541	1,747	1,680	1,669	1,654	1,769	1,733	1,723	2,309	
8	Customer Charge Difference (\$/Cust)	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	
9	Lost Revenue	\$ 3,944	\$ 10,364	\$ 10,164	\$ 6,988	\$ 6,720	\$ 6,676	\$ 6,616	\$ 7,076	\$ 6,932	\$ 6,892	\$ 9,236	\$ 81,608
10	R2 Usage	24,209	70,718	64,951	88,358	54,205	46,906	31,877	32,019	26,241	24,827	26,423	
11	Distribution Charge Difference (\$/Therm)	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	
12	Lost Revenue	\$ 2,600	\$ 7,595	\$ 6,976	\$ 9,490	\$ 5,822	\$ 5,038	\$ 3,424	\$ 3,439	\$ 2,818	\$ 2,666	\$ 2,838	\$ 52,706
13	R2 Bi-Monthly Billed Customers - SLP 30311-003	12	30	31	17	22	19	19	37	46	32	42	
14	Customer Charge Difference (\$/Cust)	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	
15	Lost Revenue	\$ 96	\$ 240	\$ 244	\$ 136	\$ 176	\$ 152	\$ 152	\$ 296	\$ 368	\$ 256	\$ 336	\$ 2,452
16	R2 Usage	595	1,158	1,353	1,480	1,551	1,191	532	951	2,221	884	1,428	
17	Distribution Charge Difference (\$/Therm)	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	
18	Lost Revenue	\$ 64	\$ 124	\$ 145	\$ 159	\$ 167	\$ 128	\$ 57	\$ 102	\$ 239	\$ 95	\$ 153	\$ 1,433
19	Total Lost Revenue (L3 + L6 + L9 + L12 + L15 + L18)	\$ 201,772	\$ 493,812	\$ 471,308	\$ 519,044	\$ 439,569	\$ 319,789	\$ 193,913	\$ 165,468	\$ 151,652	\$ 151,840	\$ 193,692	\$ 3,301,859

1/ The Customers and Volumes are based on the most recent run of Low Income Rate Schedule participation.

2/ The Customers and Volumes for December 2005 have been prorated to reflect implementation of new base rates (DTE 05-27) effective December 1, 2005.

TAB 15
Rate Comparisons

BAY STATE GAS COMPANY
Typical Residential Heating Bill (R-3)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 1 of 8

Typical Usage In Therms																					
Line No.	Residential Heating (R-3)					May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)	
1						90	55	30	30	42	71	109	150	187	188	166	132	1,250	318	932	
2	Base Rates Effective Prior to 12/1/05																				
3	Off-Peak																				
4	Cust. Chg \$7.47					\$7.47	\$7.47	\$7.47	\$7.47	\$7.47	\$7.47							\$45	\$45		
5	First 30 therms @ \$0.2317					\$6.95	\$6.95	\$6.95	\$6.95	\$6.95	\$6.95							\$42	\$42		
6	Excess 30 therms @ \$0.1639					\$9.83	\$4.10	\$0.00	\$0.00	\$1.97	\$6.72							\$23	\$23		
7																					
8	Peak																				
9	Cust. Chg \$7.47											\$7.47	\$7.47	\$7.47	\$7.47	\$7.47	\$7.47	\$45		\$45	
10	First 90 therms @ \$0.4000											\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$216		\$216	
11	Excess 90 therms @ \$0.2076											\$3.94	\$12.46	\$20.14	\$20.35	\$15.78	\$8.72	\$81		\$81	
12																					
13	New Base Rates Effective 12/1/05																				
14	Off-Peak																				
15	Cust. Chg \$10.00					\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00							\$60	\$60		
16	First 99999 therms @ \$0.2714					\$24.43	\$14.93	\$8.14	\$8.14	\$11.40	\$19.27							\$86	\$86		
17																					
18	Peak																				
19	Cust. Chg \$10.00											\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$60		\$60	
20	First 99999 therms @ \$0.2714											\$29.58	\$40.71	\$50.75	\$51.02	\$45.05	\$35.83	\$253		\$253	
21																					
22	2004 - 2005 Base Rate Amount					\$24.26	\$18.52	\$14.42	\$14.42	\$16.39	\$21.14	\$47.41	\$55.93	\$63.61	\$63.82	\$59.25	\$52.19	\$451	\$109	\$342	
23	2005 - 2006 Base Rate Amount					\$34.43	\$24.93	\$18.14	\$18.14	\$21.40	\$29.27	\$47.41	\$50.71	\$60.75	\$61.02	\$55.05	\$45.83	\$467	\$146	\$321	
24																					
25	November 2004-October 2005																				
26	CGA Rates - (Seasonal)					\$0.9073	\$0.9073	\$0.9073	\$0.9073	\$1.0488	\$1.3614	\$1.0050	\$1.0450	\$1.0450	\$1.0450	\$1.0450	\$1.2450				
27	LDAF					\$0.0151	\$0.0151	\$0.0151	\$0.0151	\$0.0151	\$0.0151	\$0.0186	\$0.0186	\$0.0186	\$0.0186	\$0.0186	\$0.0186				
28																					
29	November 2005-October 2006																				
30	CGA Rates - (Seasonal)					\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.4907	\$1.4763	\$1.4763	\$1.2356	\$1.2356	\$1.2356				
31	LDAF					\$0.0401	\$0.0401	\$0.0401	\$0.0401	\$0.0401	\$0.0401	\$0.0205	\$0.0394	\$0.0394	\$0.0394	\$0.0394	\$0.0394				
32																					
33	November 2004-October 2005					\$107.27	\$69.25	\$42.09	\$42.09	\$61.07	\$118.87	\$158.99	\$215.47	\$262.50	\$263.77	\$235.81	\$218.98	\$1,796	\$441	\$1,356	
34	November 2005-October 2006					\$133.61	\$85.54	\$51.20	\$51.20	\$67.68	\$107.51	\$212.13	\$278.07	\$344.19	\$300.72	\$266.70	\$214.13	\$2,113	\$497	\$1,616	
35	Difference					\$26.34	\$16.29	\$9.11	\$9.11	\$6.61	(\$11.36)	\$53.14	\$62.60	\$81.69	\$36.95	\$30.89	(\$4.85)	\$317	\$56	\$260	
36																					
37	% Chg					24.55%	23.52%	21.64%	21.64%	10.82%	-9.56%	33.42%	29.05%	31.12%	14.01%	13.10%	-2.21%	17.62%	12.73%	19.21%	
38																					
39	Average monthly impact																		\$ 26.38	\$ 9.35	\$ 43.40

BAY STATE GAS COMPANY
Typical Residential Non-Heating Bill (R-1)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 2 of 8

Line		Typical Usage In Therms																	
No.	Residential Non-Heating (R-1)				May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1					17	17	15	14	7	15	15	18	19	20	19	19	195	85	110
2	Base Rates Effective Prior to 12/1/05																		
3	Off-Peak																		
4		Cust. Chg		\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46							\$45	\$45	
5		First	10	therms @	\$0.3848	\$3.85	\$3.85	\$3.85	\$3.85	\$2.69	\$3.85						\$22	\$22	
6		Excess	10	therms @	\$0.2965	\$2.08	\$2.08	\$1.48	\$1.19	\$0.00	\$1.48						\$8	\$8	
7																			
8	Peak																		
9		Cust. Chg		\$7.46							\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$45		\$45
10		First	12	therms @	\$0.4349						\$5.22	\$5.22	\$5.22	\$5.22	\$5.22	\$5.22	\$31		\$31
11		Excess	12	therms @	\$0.3758						\$1.13	\$2.26	\$2.63	\$3.01	\$2.63	\$2.63	\$14		\$14
12																			
13	New Base Rates Effective 12/1/05																		
14	Off-Peak																		
15		Cust. Chg		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00							\$60	\$60	
16		First	99999	therms @	\$0.2684	\$4.56	\$4.56	\$4.03	\$3.76	\$1.88	\$4.03						\$23	\$23	
17																			
18	Peak																		
19		Cust. Chg		\$10.00							\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$60		\$60
20		First	99999	therms @	\$0.2684						\$4.03	\$4.83	\$5.10	\$5.37	\$5.10	\$5.10	\$30		\$30
21																			
22	2004 - 2005 Base Rate Amount				\$13.38	\$13.38	\$12.79	\$12.49	\$10.15	\$12.79	\$13.81	\$14.93	\$15.31	\$15.69	\$15.31	\$15.31	\$165	\$75	\$90
23	2005 - 2006 Base Rate Amount				\$14.56	\$14.56	\$14.03	\$13.76	\$11.88	\$14.03	\$13.81	\$14.83	\$15.10	\$15.37	\$15.10	\$15.10	\$172	\$83	\$89
24																			
25	November 2004-October 2005																		
26	CGA Rates - (Seasonal)				\$0.8430	\$0.8430	\$0.8430	\$0.8430	\$0.9845	\$1.2971	\$0.8959	\$0.9359	\$0.9359	\$0.9359	\$0.9359	\$1.1359			
27	LDAF				\$0.0142	\$0.0142	\$0.0142	\$0.0142	\$0.0142	\$0.0142	\$0.0162	\$0.0162	\$0.0162	\$0.0162	\$0.0162	\$0.0162			
28																			
29	November 2005-October 2006																		
30	CGA Rates - (Seasonal)				\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.3073	\$1.4509	\$1.4509	\$1.2102	\$1.2102	\$1.2102			
31	LDAF				\$0.0336	\$0.0336	\$0.0336	\$0.0336	\$0.0336	\$0.0336	\$0.0114	\$0.0303	\$0.0303	\$0.0303	\$0.0303	\$0.0303			
32																			
33	November 2004-October 2005				\$27.96	\$27.96	\$25.65	\$24.49	\$17.14	\$32.46	\$27.49	\$32.07	\$33.40	\$34.73	\$33.40	\$37.20	\$354	\$156	\$198
34	November 2005-October 2006				\$32.35	\$32.35	\$29.72	\$28.41	\$19.20	\$29.72	\$33.59	\$41.49	\$43.24	\$40.18	\$38.67	\$38.67	\$408	\$172	\$236
35	Difference				\$4.39	\$4.39	\$4.07	\$3.92	\$2.06	(\$2.74)	\$6.10	\$9.42	\$9.84	\$5.45	\$5.27	\$1.47	\$54	\$16	\$38
36																			
37	% Chg				15.70%	15.70%	15.87%	16.01%	12.02%	-8.44%	22.19%	29.37%	29.46%	15.69%	15.78%	3.95%	15.15%	10.34%	18.94%
38																			
39	Average monthly impact																\$ 4.47	\$ 2.68	\$ 6.26

BAY STATE GAS COMPANY
Typical C&I Low Annual/Low Winter (G-50)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 3 of 8

Typical Usage In Therms

Line No.	C&I Low Annual/Low Winter (G-50)	May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1		125	105	101	93	99	119	172	172	202	199	200	166	1,753	642	1,111
2	Base Rates Effective Prior to 12/1/05															
3	Off-Peak															
4	Cust. Chg	\$12.61	\$12.61	\$12.61	\$12.61	\$12.61	\$12.61							\$76	\$76	
5	First 80 therms @	\$0.3240	\$25.92	\$25.92	\$25.92	\$25.92	\$25.92							\$156	\$156	
6	Excess 80 therms @	\$0.1884	\$8.48	\$4.71	\$3.96	\$2.45	\$3.58							\$31	\$31	
7																
8	Peak															
9	Cust. Chg	\$12.61						\$12.61	\$12.61	\$12.61	\$12.61	\$12.61	\$12.61	\$76		\$76
10	First 125 therms @	\$0.3597						\$44.96	\$44.96	\$44.96	\$44.96	\$44.96	\$44.96	\$270		\$270
11	Excess 125 therms @	\$0.2268						\$10.66	\$10.66	\$17.46	\$16.78	\$17.01	\$9.30	\$82		\$82
12																
13	New Base Rates Effective 12/1/05															
14	Off-Peak															
15	Cust. Chg	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00							\$96	\$96	
16	First 99999 therms @	\$0.2699	\$33.74	\$28.34	\$27.26	\$25.10	\$32.12							\$173	\$173	
17																
18	Peak															
19	Cust. Chg	\$16.00						\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$96		\$96
20	First 99999 therms @	\$0.2699						\$46.42	\$46.42	\$54.52	\$53.71	\$53.98	\$44.80	\$300		\$300
21																
22	2004 - 2005 Base Rate Amount	\$47.01	\$43.24	\$42.49	\$40.98	\$42.11	\$45.88	\$68.23	\$68.23	\$75.04	\$74.36	\$74.58	\$66.87	\$689	\$262	\$427
23	2005 - 2006 Base Rate Amount	\$49.74	\$44.34	\$43.26	\$41.10	\$42.72	\$48.12	\$68.23	\$62.42	\$70.52	\$69.71	\$69.98	\$60.80	\$671	\$269	\$402
24																
25	November 2004-October 2005															
26	CGA Rates - (Seasonal)	\$0.8522	\$0.8522	\$0.8522	\$0.8522	\$0.9937	\$1.3063	\$0.9019	\$0.9419	\$0.9419	\$0.9419	\$0.9419	\$1.1419			
27	LDAF	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191			
28																
29	November 2005-October 2006															
30	CGA Rates - (Seasonal)	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.3739	\$1.4509	\$1.4509	\$1.2102	\$1.2102	\$1.2102			
31	LDAF	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0265	\$0.0454	\$0.0454	\$0.0454	\$0.0454	\$0.0454			
32																
33	November 2004-October 2005	\$155.77	\$134.60	\$130.37	\$121.90	\$142.26	\$203.46	\$226.65	\$233.53	\$269.16	\$265.60	\$266.78	\$259.60	\$2,410	\$888	\$1,521
34	November 2005-October 2006	<u>\$181.56</u>	<u>\$155.07</u>	<u>\$149.77</u>	<u>\$139.18</u>	<u>\$147.13</u>	<u>\$173.62</u>	<u>\$309.10</u>	<u>\$319.79</u>	<u>\$372.77</u>	<u>\$319.57</u>	<u>\$321.10</u>	<u>\$269.23</u>	<u>\$2,858</u>	<u>\$946</u>	<u>\$1,912</u>
35	Difference	\$25.79	\$20.47	\$19.40	\$17.28	\$4.87	(\$29.84)	\$82.45	\$86.26	\$103.61	\$53.97	\$54.32	\$9.63	\$448	\$58	\$390
36																
37	% Chg	16.56%	15.21%	14.88%	14.18%	3.42%	-14.67%	36.38%	36.94%	38.49%	20.32%	20.36%	3.71%	18.60%	6.53%	25.65%
38																
39	Average monthly impact													\$ 37.35	\$ 9.66	\$ 65.04

BAY STATE GAS COMPANY
Typical C&I Low Annual/High Winter (G-40)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 4 of 8

Typical Usage In Therms																				
Line No.	C&I Low Annual/High Winter (G-40)					May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1						84	38	25	24	25	49	103	216	300	300	271	169	1,604	245	1,359
2	Base Rates Effective Prior to 12/1/05																			
3	Off-Peak																			
4	Cust. Chg					\$12.61	\$12.61	\$12.61	\$12.61	\$12.61	\$12.61						\$76	\$76		
5	First 35 therms @					\$0.3288	\$11.51	\$11.51	\$8.22	\$7.89	\$8.22	\$11.51						\$59	\$59	
6	Excess 35 therms @					\$0.1855	\$9.09	\$0.56	\$0.00	\$0.00	\$0.00	\$2.60						\$12	\$12	
7																				
8	Peak																			
9	Cust. Chg					\$12.61						\$12.61	\$12.61	\$12.61	\$12.61	\$12.61	\$12.61	\$76		\$76
10	First 125 therms @					\$0.3694	\$38.05	\$46.18	\$46.18	\$46.18	\$46.18	\$46.18	\$46.18	\$46.18	\$46.18	\$46.18	\$46.18	\$269		\$269
11	Excess 125 therms @					\$0.2315	\$0.00	\$21.07	\$40.51	\$40.51	\$33.80	\$10.19	\$146							\$146
12																				
13	New Base Rates Effective 12/1/05																			
14	Off-Peak																			
15	Cust. Chg					\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00						\$96	\$96		
16	First 99999 therms @					\$0.2868	\$24.09	\$10.90	\$7.17	\$6.88	\$7.17	\$14.05						\$70	\$70	
17																				
18	Peak																			
19	Cust. Chg					\$16.00						\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$96		\$96
20	First 99999 therms @					\$0.2868	\$29.54	\$61.95	\$86.04	\$86.04	\$77.72	\$48.47	\$390							\$390
21																				
22	2004 - 2005 Base Rate Amount					\$33.21	\$24.68	\$20.83	\$20.50	\$20.83	\$26.72	\$50.66	\$79.85	\$99.30	\$99.30	\$92.58	\$68.97	\$637	\$147	\$491
23	2005 - 2006 Base Rate Amount					\$40.09	\$26.90	\$23.17	\$22.88	\$23.17	\$30.05	\$50.66	\$77.95	\$102.04	\$102.04	\$93.72	\$64.47	\$657	\$166	\$491
24																				
25	November 2004-October 2005																			
26	CGA Rates - (Seasonal)					\$0.9548	\$0.9548	\$0.9548	\$0.9548	\$1.0963	\$1.4089	\$1.0225	\$1.0625	\$1.0625	\$1.0625	\$1.0625	\$1.2625			
27	LDAF					\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191			
28																				
29	November 2005-October 2006																			
30	CGA Rates - (Seasonal)					\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.5210	\$1.4763	\$1.4763	\$1.2356	\$1.2356	\$1.2356			
31	LDAF					\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0265	\$0.0454	\$0.0454	\$0.0454	\$0.0454	\$0.0454			
32																				
33	November 2004-October 2005					\$114.91	\$61.64	\$45.15	\$43.85	\$48.69	\$96.63	\$157.94	\$313.48	\$423.78	\$423.78	\$385.70	\$285.56	\$2,401	\$411	\$1,990
34	November 2005-October 2006					<u>\$132.79</u>	<u>\$68.83</u>	<u>\$50.76</u>	<u>\$49.37</u>	<u>\$50.76</u>	<u>\$84.13</u>	<u>\$210.05</u>	<u>\$406.64</u>	<u>\$558.55</u>	<u>\$486.34</u>	<u>\$440.87</u>	<u>\$280.96</u>	<u>\$2,820</u>	<u>\$437</u>	<u>\$2,383</u>
35	Difference					\$17.88	\$7.19	\$5.61	\$5.52	\$2.07	(\$12.50)	\$52.11	\$93.16	\$134.77	\$62.56	\$55.17	(\$4.60)	\$419	\$26	\$393
36																				
37	% Chg					15.56%	11.66%	12.43%	12.59%	4.25%	-12.94%	32.99%	29.72%	31.80%	14.76%	14.30%	-1.61%	17.45%	6.27%	19.75%
38																				
Average monthly impact																		\$ 34.91	\$ 4.30	\$ 65.53

BAY STATE GAS COMPANY
Typical C&I Medium Annual/Low Winter (G-51)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 5 of 8

Typical Usage In Therms																				
Line No.	C&I Medium Annual/Low Winter (G-51)					May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1						790	794	763	726	731	807	941	1,210	1,364	1,294	1,321	1,078	11,819	4,611	7,208
2	Base Rates Effective Prior to 12/1/05																			
3	Off-Peak																			
4	Cust. Chg				\$45.04	\$45.04	\$45.04	\$45.04	\$45.04	\$45.04	\$45.04							\$270	\$270	
5	First 500 therms @				\$0.1000	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00							\$300	\$300	
6	Excess 500 therms @				\$0.0765	\$22.19	\$22.49	\$20.12	\$17.29	\$17.67	\$23.49							\$123	\$123	
7																				
8	Peak																			
9	Cust. Chg				\$45.04							\$45.04	\$45.04	\$45.04	\$45.04	\$45.04	\$45.04	\$270		\$270
10	First 700 therms @				\$0.1708							\$119.56	\$119.56	\$119.56	\$119.56	\$119.56	\$119.56	\$717		\$717
11	Excess 700 therms @				\$0.1315							\$31.69	\$67.07	\$87.32	\$78.11	\$81.66	\$49.71	\$396		\$396
12																				
13	New Base Rates Effective 12/1/05																			
14	Off-Peak																			
15	Cust. Chg				\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00							\$390	\$390	
16	First 99999 therms @				\$0.0693	\$54.75	\$55.02	\$52.88	\$50.31	\$50.66	\$55.93							\$320	\$320	
17																				
18	Peak																			
19	Cust. Chg				\$65.00							\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$390		\$390
20	First 99999 therms @				\$0.1490							\$140.21	\$180.29	\$203.24	\$192.81	\$196.83	\$160.62	\$1,074		\$1,074
21																				
22	2004 - 2005 Base Rate Amount					\$117.23	\$117.53	\$115.16	\$112.33	\$112.71	\$118.53	\$196.29	\$231.67	\$251.92	\$242.71	\$246.26	\$214.31	\$2,077	\$693	\$1,383
23	2005 - 2006 Base Rate Amount					\$119.75	\$120.02	\$117.88	\$115.31	\$115.66	\$120.93	\$196.29	\$245.29	\$268.24	\$257.81	\$261.83	\$225.62	\$2,165	\$710	\$1,455
24																				
25	November 2004-October 2005																			
26	CGA Rates - (Seasonal)					\$0.8424	\$0.8424	\$0.8424	\$0.8424	\$0.9839	\$1.2965	\$0.9125	\$0.9525	\$0.9525	\$0.9525	\$0.9525	\$1.1525			
27	LDAF					\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191			
28																				
29	November 2005-October 2006																			
30	CGA Rates - (Seasonal)					\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.3495	\$1.4509	\$1.4509	\$1.2102	\$1.2102	\$1.2102			
31	LDAF					\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0265	\$0.0454	\$0.0454	\$0.0454	\$0.0454	\$0.0454			
32																				
33	November 2004-October 2005					\$796.86	\$800.61	\$771.57	\$736.91	\$845.03	\$1,179.25	\$1,072.93	\$1,407.30	\$1,577.18	\$1,499.96	\$1,529.75	\$1,477.29	\$13,695	\$5,130	\$8,564
34	November 2005-October 2006					<u>\$952.88</u>	<u>\$957.38</u>	<u>\$922.54</u>	<u>\$880.95</u>	<u>\$886.57</u>	<u>\$971.99</u>	<u>\$1,491.11</u>	<u>\$2,055.81</u>	<u>\$2,309.19</u>	<u>\$1,882.55</u>	<u>\$1,920.48</u>	<u>\$1,579.16</u>	<u>\$16,811</u>	<u>\$5,572</u>	<u>\$11,238</u>
35	Difference					\$156.02	\$156.77	\$150.97	\$144.04	\$41.54	(\$207.26)	\$418.18	\$648.51	\$732.01	\$382.59	\$390.73	\$101.87	\$3,116	\$442	\$2,674
36																				
37	% Chg					19.58%	19.58%	19.57%	19.55%	4.92%	-17.58%	38.98%	46.08%	46.41%	25.51%	25.54%	6.90%	22.75%	8.62%	31.22%
38																				
39	Average monthly impact																	\$ 259.66	\$ 73.68	\$ 445.65

BAY STATE GAS COMPANY
Typical C&I Medium Annual/High Winter (G-41)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 6 of 8

Typical Usage In Therms

Line No.	C&I Medium Annual/High Winter (G-41)	May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1		665	302	164	146	174	374	824	2,139	2,170	2,294	1,971	1,270	12,493	1,825	10,668
2	Current Base Rates															
3	Off-Peak															
4	Cust. Chg	\$45.04	\$45.04	\$45.04	\$45.04	\$45.04	\$45.04							\$270	\$270	
5	First 300 therms @	\$0.1246	\$37.38	\$37.38	\$20.43	\$18.19	\$21.68							\$172	\$172	
6	Excess 300 therms @	\$0.0988	\$36.06	\$0.20	\$0.00	\$0.00	\$7.31							\$44	\$44	
7																
8	Peak															
9	Cust. Chg	\$45.04						\$45.04	\$45.04	\$45.04	\$45.04	\$45.04	\$45.04	\$270		\$270
10	First 1000 therms @	\$0.1979						\$163.07	\$197.90	\$197.90	\$197.90	\$197.90	\$197.90	\$1,153		\$1,153
11	Excess 1000 therms @	\$0.1572						\$0.00	\$179.05	\$183.92	\$203.42	\$152.64	\$42.44	\$761		\$761
12																
13	Revised Base Rates															
14	Off-Peak															
15	Cust. Chg	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00							\$390	\$390	
16	First 99999 therms @	\$0.1006	\$66.90	\$30.38	\$16.50	\$14.69	\$37.62							\$184	\$184	
17																
18	Peak															
19	Cust. Chg	\$65.00						\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$390		\$390
20	First 99999 therms @	\$0.1588						\$130.85	\$339.67	\$344.60	\$364.29	\$313.00	\$201.68	\$1,694		\$1,694
21																
22	2004 - 2005 Base Rate Amount	\$118.48	\$82.62	\$65.47	\$63.23	\$66.72	\$89.73	\$208.11	\$421.99	\$426.86	\$446.36	\$395.58	\$285.38	\$2,671	\$486	\$2,184
23	2005 - 2006 Base Rate Amount	\$131.90	\$95.38	\$81.50	\$79.69	\$82.50	\$102.62	\$208.11	\$404.67	\$409.60	\$429.29	\$378.00	\$266.68	\$2,670	\$574	\$2,096
24																
25	November 2004-October 2005															
26	CGA Rates - (Seasonal)	\$0.9412	\$0.9412	\$0.9412	\$0.9412	\$1.0827	\$1.3953	\$1.0173	\$1.0573	\$1.0573	\$1.0573	\$1.0573	\$1.2573			
27	LDAF	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191			
28																
29	November 2005-October 2006															
30	CGA Rates - (Seasonal)	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.5090	\$1.4763	\$1.4763	\$1.2356	\$1.2356	\$1.2356			
31	LDAF	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0265	\$0.0454	\$0.0454	\$0.0454	\$0.0454	\$0.0454			
32																
33	November 2004-October 2005	\$756.28	\$372.27	\$222.77	\$203.26	\$258.22	\$618.27	\$1,062.10	\$2,724.41	\$2,762.65	\$2,915.62	\$2,517.17	\$1,906.41	\$16,319	\$2,431	\$13,888
34	November 2005-October 2006	<u>\$865.79</u>	<u>\$428.67</u>	<u>\$262.49</u>	<u>\$240.81</u>	<u>\$274.53</u>	<u>\$515.37</u>	<u>\$1,473.36</u>	<u>\$3,659.59</u>	<u>\$3,711.69</u>	<u>\$3,367.90</u>	<u>\$2,902.85</u>	<u>\$1,893.55</u>	<u>\$19,597</u>	<u>\$2,588</u>	<u>\$17,009</u>
35	Difference	\$109.51	\$56.40	\$39.72	\$37.55	\$16.31	(\$102.90)	\$411.26	\$935.18	\$949.04	\$452.28	\$385.68	(\$12.86)	\$3,277	\$157	\$3,121
36																
37	% Chg	14.48%	15.15%	17.83%	18.47%	6.32%	-16.64%	38.72%	34.33%	34.35%	15.51%	15.32%	-0.67%	20.08%	6.44%	22.47%
38																
39	Average monthly impact													\$ 273.10	\$ 26.10	\$ 520.10

BAY STATE GAS COMPANY
Typical C&I High Annual/Low Winter (G-52)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 7 of 8

				Typical Usage In Therms															
Line No.	C&I High Annual/Low Winter (G-52)				May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1					11,042	10,120	9,172	8,320	9,745	11,262	12,094	14,442	17,547	16,095	15,704	14,183	149,726	59,661	90,065
2	Current Base Rates																		
3	Off-Peak																		
4		Cust. Chg		\$109.37	\$109.37	\$109.37	\$109.37	\$109.37	\$109.37	\$109.37							\$656	\$656	
5		First 8000 therms @		\$0.0712	\$569.60	\$569.60	\$569.60	\$569.60	\$569.60	\$569.60							\$3,418	\$3,418	
6		Excess 8000 therms @		\$0.0569	\$173.09	\$120.63	\$66.69	\$18.21	\$99.29	\$185.61							\$664	\$664	
7																			
8	Peak																		
9		Cust. Chg		\$109.37							\$109.37	\$109.37	\$109.37	\$109.37	\$109.37	\$109.37	\$656		\$656
10		First 10000 therms @		\$0.1638							\$1,638.00	\$1,638.00	\$1,638.00	\$1,638.00	\$1,638.00	\$1,638.00	\$9,828		\$9,828
11		Excess 10000 therms @		\$0.1288							\$269.71	\$572.13	\$972.05	\$785.04	\$734.68	\$538.77	\$3,872		\$3,872
12																			
13	Revised Base Rates																		
14	Off-Peak																		
15		Cust. Chg		\$213.00	\$213.00	\$213.00	\$213.00	\$213.00	\$213.00	\$213.00							\$1,278	\$1,278	
16		First 999999 therms @		\$0.0539	\$595.16	\$545.47	\$494.37	\$448.45	\$525.26	\$607.02							\$3,216	\$3,216	
17																			
18	Peak																		
19		Cust. Chg		\$213.00							\$213.00	\$213.00	\$213.00	\$213.00	\$213.00	\$213.00	\$1,278		\$1,278
20		First 999999 therms @		\$0.1380							\$1,668.97	\$1,993.00	\$2,421.49	\$2,221.11	\$2,167.15	\$1,957.25	\$12,429		\$12,429
21																			
22	Current Base Rate Amount				\$852.06	\$799.60	\$745.66	\$697.18	\$778.26	\$864.58	\$2,017.08	\$2,319.50	\$2,719.42	\$2,532.41	\$2,482.05	\$2,286.14	\$19,094	\$4,737	\$14,357
23	Revised Base Rate Amount				\$808.16	\$758.47	\$707.37	\$661.45	\$738.26	\$820.02	\$2,017.08	\$2,206.00	\$2,634.49	\$2,434.11	\$2,380.15	\$2,170.25	\$18,336	\$4,494	\$13,842
24																			
25	November 2004-October 2005																		
26	CGA Rates - (Seasonal)				\$0.8484	\$0.8484	\$0.8484	\$0.8484	\$0.9899	\$1.3025	\$0.9056	\$0.9456	\$0.9456	\$0.9456	\$0.9456	\$1.1456			
27	LDAF				\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191			
28																			
29	November 2005-October 2006																		
30	CGA Rates - (Seasonal)				\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.0129	\$1.3430	\$1.4509	\$1.4509	\$1.2102	\$1.2102	\$1.2102			
31	LDAF				\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0265	\$0.0454	\$0.0454	\$0.0454	\$0.0454	\$0.0454			
32																			
33	November 2004-October 2005				\$10,417.74	\$9,566.55	\$8,691.36	\$7,904.79	\$10,599.27	\$15,734.92	\$13,200.40	\$16,251.70	\$19,647.01	\$18,059.25	\$17,631.69	\$18,805.08	\$166,510	\$62,915	\$103,595
34	November 2005-October 2006				\$12,453.06	\$11,431.02	\$10,380.16	\$9,435.72	\$11,015.33	\$12,696.93	\$18,579.81	\$23,815.56	\$28,890.06	\$22,642.99	\$22,098.09	\$19,978.43	\$203,417	\$67,412	\$136,005
35	Difference				\$2,035.32	\$1,864.47	\$1,688.80	\$1,530.93	\$416.06	(\$3,037.99)	\$5,379.41	\$7,563.86	\$9,243.05	\$4,583.74	\$4,466.40	\$1,173.35	\$36,907	\$4,498	\$32,410
36																			
37	% Chg				19.54%	19.49%	19.43%	19.37%	3.93%	-19.31%	40.75%	46.54%	47.05%	25.38%	25.33%	6.24%	22.17%	7.15%	31.29%
38																			
39	Average monthly impact																\$ 3,075.62	\$ 749.60	\$ 5,401.64

BAY STATE GAS COMPANY
Typical C&I High Annual/High Winter (G-42)
Peak Period CGA
Effective Effective May 2006

Section 15
Page 8 of 8

		Typical Usage In Therms														
Line No.	C&I High Annual/High Winter (G-42)	May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1		4,642	2,353	2,618	1,332	2,227	2,937	7,027	12,107	13,541	13,233	12,504	8,364	82,885	16,109	66,776
2																
3	Off-Peak															
4	Cust. Chg	\$109.37												\$656	\$656	
5	First 2200 therms @	\$0.0687												\$847	\$847	
6	Excess 2200 therms @	\$0.0573												\$216	\$216	
7																
8	Peak															
9	Cust. Chg	\$109.37						\$109.37	\$109.37	\$109.37	\$109.37	\$109.37	\$109.37	\$656		\$656
10	First 9000 therms @	\$0.1658						\$1,165.08	\$1,492.20	\$1,492.20	\$1,492.20	\$1,492.20	\$1,386.75	\$8,521		\$8,521
11	Excess 9000 therms @	\$0.1317						\$0.00	\$409.19	\$598.05	\$557.49	\$461.48	\$0.00	\$2,026		\$2,026
12																
13	<u>Revised Base Rates</u>															
14	Off-Peak															
15	Cust. Chg	\$213.00												\$1,278	\$1,278	
16	First 99999 therms @	\$0.0644												\$1,037	\$1,037	
17																
18	Peak															
19	Cust. Chg	\$213.00						\$213.00	\$213.00	\$213.00	\$213.00	\$213.00	\$213.00	\$1,278		\$1,278
20	First 99999 therms @	\$0.1485						\$1,043.51	\$1,797.89	\$2,010.84	\$1,965.10	\$1,856.84	\$1,242.05	\$9,916		\$9,916
21																
22	2004 - 2005 Base Rate Amount	\$400.44	\$269.28	\$284.46	\$200.88	\$262.06	\$302.74	\$1,274.45	\$2,010.76	\$2,199.62	\$2,159.06	\$2,063.05	\$1,496.12	\$12,923	\$1,720	\$11,203
23	2005 - 2006 Base Rate Amount	\$511.95	\$364.53	\$381.60	\$298.78	\$356.42	\$402.14	\$1,274.45	\$2,010.89	\$2,223.84	\$2,178.10	\$2,069.84	\$1,455.05	\$13,528	\$2,315	\$11,212
24																
25	November 2004-October 2005															
26	CGA Rates - (Seasonal)	\$0.9166	\$0.9166	\$0.9166	\$0.9166	\$1.0581	\$1.3707	\$1.0105	\$1.0505	\$1.0505	\$1.0505	\$1.0505	\$1.2505			
27	LDAF	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0179	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191	\$0.0191			
28																
29	November 2005-October 2006															
30	CGA Rates - (Seasonal)	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.0619	\$1.4858	\$1.4763	\$1.4763	\$1.2356	\$1.2356	\$1.2356			
31	LDAF	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0417	\$0.0265	\$0.0454	\$0.0454	\$0.0454	\$0.0454	\$0.0454			
32																
33	November 2004-October 2005	\$4,738.39	\$2,468.16	\$2,730.98	\$1,445.63	\$2,658.31	\$4,381.06	\$8,509.45	\$14,960.41	\$16,683.07	\$16,313.07	\$15,437.33	\$12,115.06	\$102,441	\$18,423	\$84,018
34	November 2005-October 2006	<u>\$5,634.86</u>	<u>\$2,961.30</u>	<u>\$3,270.82</u>	<u>\$1,768.78</u>	<u>\$2,814.14</u>	<u>\$3,643.42</u>	<u>\$11,901.38</u>	<u>\$20,434.11</u>	<u>\$22,829.18</u>	<u>\$19,129.57</u>	<u>\$18,087.47</u>	<u>\$12,169.34</u>	<u>\$124,644</u>	<u>\$20,093</u>	<u>\$104,551</u>
35	Difference	\$896.47	\$493.14	\$539.84	\$323.15	\$155.83	(\$737.64)	\$3,391.93	\$5,473.70	\$6,146.11	\$2,816.50	\$2,650.14	\$54.28	\$22,203	\$1,671	\$20,533
36																
37	% Chg	18.92%	19.98%	19.77%	22.35%	5.86%	-16.84%	39.86%	36.59%	36.84%	17.27%	17.17%	0.45%	21.67%	9.07%	24.44%
38																
39	Average monthly impact													\$ 1,850.29	\$ 278.47	\$ 3,422.11

TAB 16
Reconciliation Filing

OFF PEAK

BAY STATE GAS COMPANY
Summary Demand Account 191.10
November 2004 through October 2005

Section 5
FORM III
Schedule 1
Page 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Account 191.10 Beginning Balance	\$537,595	Schedule 2
2	Less: Revenue Billed via Demand GAF	(\$6,342,861)	Schedule 3
3	Less: Revenue Billed November 2004	(\$954,924)	Schedule 2, Column 1
4	Add: Cost of Firm Gas Allowable (Demand)	\$8,536,012	Schedule 4
5	Add: Account 191.10 Interest	<u>\$29,633</u>	Schedule 2
	Off Peak Demand Reconciliation Adjustment:		
6	Account 191.10 Ending Balance	\$1,805,456	Lines 1 through 5

OFF PEAK

BAY STATE GAS COMPANY
Summary Production Storage Demand Account 182.18
November 2004 through October 2005

Section 5
FORM III
Schedule 1
Page 2

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Account 182.18 Beginning Balance	\$180,121	Schedule 2
2	Less: Revenue Billed via Demand GAF	(\$463,142)	Schedule 3
3	Less: Revenue Billed November 2004	(\$76,674)	Schedule 2, Column 1
4	Add: Cost of Firm Gas Allowable (Demand)	\$485,633	Schedule 4
5	Add: Account 182.18 Interest	<u>\$7,189</u>	Schedule 2
6	Off Peak Production & Storage Reconciliation Adjustment: Account 182.18 Ending Balance	\$133,127	Lines 1 through 5

OFF PEAK

BAY STATE GAS COMPANY
Summary Commodity Account 191.09
November 2004 through October 2005

Section 5
FORM III
Schedule 1
Page 3

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Account 191.09 Beginning Balance	\$8,741,141	Schedule 2
2	Less: Revenue Billed via Commodity GAF	(\$65,371,671)	Schedule 3
3	Less: Revenue Billed November 2004	(\$10,829,306)	Schedule 2, Column 1
4	Add: Cost of Firm Gas Allowable (Commodity)	\$74,562,198	Schedule 4
5	Add: Account 191.09 Interest	<u>\$136,769</u>	Schedule 2
6	Off Peak Commodity Reconciliation Adjustment: Account 191.09 Ending Balance	\$7,239,130	Lines 1 through 4

OFF PEAK

BAY STATE GAS COMPANY
Monthly Summary of Off Peak 191 and 182 Accounts
November 2004 through October 2005

Section 5
FORM III
Schedule 2

Line No.	October billed in November (1)	November (2)	December (3)	2005 January (4)	February (5)	March (6)	April (7)	May (8)	June (9)	July (10)	August (11)	September (12)	October (13)	October billed in November (14)	Total (15)
<u>ACCOUNT 191.10</u>															
1 Off Peak Demand Account Beginning Balance	\$537,595	(\$417,329)	(\$417,085)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	(\$426,559)	\$126,299	\$212,311	\$966,008	\$1,772,868	\$2,578,175	\$3,176,783	\$537,595
2 Plus: Cost of Gas Allowable - Sch. 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,354,489	\$1,427,283	\$1,484,089	\$1,420,653	\$1,426,875	\$1,422,623	\$0
3 Less: Base Gas Revenue Applied - Sch. 3	(\$954,924)	\$0	\$0	\$0	\$0	\$0	\$0	(\$800,870)	(\$1,342,105)	(\$733,510)	(\$621,262)	(\$633,320)	(\$840,465)	(\$1,371,328)	(\$7,297,785)
4 Preliminary Ending Balance	(\$417,329)	(\$417,329)	(\$417,085)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	\$127,060	\$211,477	\$962,889	\$1,765,398	\$2,566,423	\$3,160,334	\$1,805,455	
5 Month's Average Balance		\$60,133	(\$417,207)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	(\$149,750)	\$168,888	\$587,600	\$1,365,703	\$2,169,646	\$2,869,254		
6 Interest Rate (Prime)		4.93%	5.15%	5.25%	5.49%	5.58%	5.75%	5.98%	6.01%	6.25%	6.44%	6.59%	6.75%		
7 Interest Applied		\$244	(\$1,825)	(\$1,868)	(\$1,772)	(\$2,003)	(\$2,006)	(\$761)	\$834	\$3,119	\$7,470	\$11,752	\$16,449		<u>\$29,633</u>
8 Off Peak Demand Ending Balance (Ln. 4+7)	(\$417,329)	(\$417,085)	(\$418,910)	(\$420,778)	(\$422,550)	(\$424,553)	(\$426,559)	\$126,299	\$212,311	\$966,008	\$1,772,868	\$2,578,175	\$3,176,783		<u>\$1,805,456</u>
<u>ACCOUNT 182.18</u>															
Off Peak Production & Storage Demand Account															
9 Beginning Balance	\$180,121	\$103,447	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$106,384	\$145,006	\$109,126	\$113,919	\$121,504	\$141,855	\$223,802	\$180,121
10 Plus: Cost of Gas Allowable - Sch. 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$93,798	\$60,099	\$61,404	\$56,282	\$69,618	\$144,432	\$0	\$485,633
11 Less: Base Gas Revenue Applied - Sch. 3	(\$76,674)	\$0	\$0	\$0	\$0	\$0	\$0	(\$55,812)	(\$96,605)	(\$57,201)	(\$49,339)	(\$49,978)	(\$63,530)	(\$90,676)	(\$539,816)
12 Preliminary Ending Balance	\$103,447	\$103,447	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$144,370	\$108,500	\$113,329	\$120,862	\$141,144	\$222,757	\$133,126	
13 Month's Average Balance		\$141,784	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$125,377	\$126,753	\$111,227	\$117,391	\$131,324	\$182,306		
14 Interest Rate (Prime)		4.93%	5.15%	5.25%	5.49%	5.58%	5.75%	5.98%	6.01%	6.25%	6.44%	6.59%	6.75%		
15 Interest Applied		\$575	\$455	\$466	\$442	\$499	\$500	\$637	\$626	\$590	\$642	\$711	\$1,045		<u>\$7,189</u>
16 Off Peak Production & Storage Demand Ending Balance (Ln. 12+15)	\$103,447	\$104,022	\$104,477	\$104,943	\$105,385	\$105,884	\$106,384	\$145,006	\$109,126	\$113,919	\$121,504	\$141,855	\$223,802		<u>\$133,127</u>
<u>ACCOUNT 191.09</u>															
17 Off Peak Commodity Account Beginning Balance	\$8,741,141	(\$2,088,165)	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	(\$2,121,809)	\$7,214,605	\$1,607,386	\$1,296,574	\$2,655,284	\$6,949,493	\$25,017,597	\$8,741,141
18 Plus: Cost of Gas Allowable - Sch. 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,121,895	\$6,052,619	\$6,446,749	\$7,133,166	\$10,572,546	\$28,235,222	\$0	\$74,562,198
19 Less: Base Gas Revenue Applied - Sch. 3	(\$10,829,306)	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,798,381)	(\$11,681,574)	(\$6,765,247)	(\$5,785,234)	(\$6,304,278)	(\$10,258,488)	(\$17,778,469)	(\$76,200,977)
20 Preliminary Ending Balance	(\$2,088,165)	(\$2,088,165)	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	\$7,201,705	\$1,585,651	\$1,288,887	\$2,644,506	\$6,923,552	\$24,926,227	\$7,239,128	
21 Month's Average Balance		\$3,326,488	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	\$2,539,948	\$4,400,128	\$1,448,137	\$1,970,540	\$4,789,418	\$15,937,860		
22 Interest Rate (Prime)		4.93%	5.15%	5.25%	5.49%	5.58%	5.75%	5.98%	6.01%	6.25%	6.44%	6.59%	6.75%		
23 Interest Applied		\$13,479	(\$9,075)	(\$9,291)	(\$8,815)	(\$9,961)	(\$9,981)	\$12,900	\$21,735	\$7,687	\$10,778	\$25,942	\$91,370		<u>\$136,769</u>
24 Off Peak Commodity Ending Balance (Ln. 20+23)	(\$2,088,165)	(\$2,074,686)	(\$2,083,761)	(\$2,093,052)	(\$2,101,867)	(\$2,111,828)	(\$2,121,809)	\$7,214,605	\$1,607,386	\$1,296,574	\$2,655,284	\$6,949,493	\$25,017,597		<u>\$7,239,130</u>

OFF PEAK

BAY STATE GAS COMPANY
Base Gas Revenues Applied
November 2004 through October 2005

Section 5
FORM III
Schedule 3

Line No.	Month	Residential		Outdoor	Rate Classes						Total
		Heat	Non Heat	Lighting	G-50	G-40	G-51	G-41	G-52 & 53	G-42 & 43	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Off Peak Sales Volume (MMBtu)											
1	May 2005 (New GCA rate)	593,712	22,835	8	14,978	39,752	40,628	63,188	44,164	38,698	857,962
2	June	990,937	47,630	19	37,040	58,197	99,543	103,311	80,143	58,241	1,475,060
3	July	545,324	40,347	19	30,677	22,174	88,191	40,592	57,468	30,524	855,316
4	August	468,996	35,281	19	25,843	17,978	74,923	28,353	55,814	24,334	731,540
5	September (Old GCA rate)	285,165	21,473	12	15,251	11,954	51,931	19,211	36,473	10,999	452,469
6	September (New GCA rate)	191,494	15,248	7	10,095	7,866	28,304	11,803	17,064	10,503	292,383
7	October (Old GCA rate)	335,116	22,942	12	16,650	14,374	50,262	30,350	40,163	16,445	526,313
8	October (New GCA rate)	291,378	17,960	7	11,767	13,902	29,930	23,912	21,175	19,414	429,444
9	November (Old CGA Rate)	990,062	29,724	12	16,364	71,851	62,425	134,582	42,794	77,915	1,425,728
10	Total	4,692,185	253,439	114	178,664	258,048	526,137	455,301	395,256	287,071	7,046,215
Off Peak Demand Recovery Rates											
11	Demand cost	\$1.020	\$0.468	\$0.434	\$0.549	\$1.425	\$0.471	\$1.298	\$0.442	\$1.084	
12	Production and Storage Demand cost	<u>\$0.048</u>	<u>\$0.064</u>	<u>\$0.109</u>	<u>\$0.060</u>	<u>\$0.039</u>	<u>\$0.053</u>	<u>\$0.053</u>	<u>\$0.117</u>	<u>\$0.063</u>	
13	Total Demand Rate	\$1.068	\$0.532	\$0.543	\$0.609	\$1.464	\$0.524	\$1.351	\$0.559	\$1.147	
14	Reconciliation adjustment	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	(\$0.050)	
15	Production & Storage Reconciliation adjustment	<u>\$0.012</u>	<u>\$0.012</u>	<u>\$0.012</u>	<u>\$0.012</u>	<u>\$0.012</u>	<u>\$0.012</u>	<u>\$0.012</u>	<u>\$0.012</u>	<u>\$0.012</u>	
16	Total Reconciliation Adjustment	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	(\$0.038)	
17	Total Demand Recovery Rate	\$1.030	\$0.494	\$0.505	\$0.571	\$1.426	\$0.486	\$1.313	\$0.521	\$1.109	
Off Peak Demand Recovery Revenues											
18	May (Line 1 times Lines 11 + 14)	\$575,901	\$9,545	\$3	\$7,474	\$54,658	\$17,104	\$78,859	\$17,312	\$40,013	\$800,870
19	June (Line 2 times Lines 11 + 14)	\$961,209	\$19,909	\$7	\$18,483	\$80,021	\$41,908	\$128,932	\$31,416	\$60,221	\$1,342,105
20	July (Lines 3 times Lines 11 + 14)	\$528,964	\$16,865	\$7	\$15,308	\$30,489	\$37,129	\$50,659	\$22,527	\$31,562	\$733,510
21	August (Line 4 times Lines 11 + 14)	\$454,926	\$14,748	\$7	\$12,896	\$24,719	\$31,542	\$35,384	\$21,879	\$25,161	\$621,262
22	September (Line 5 + 6 times Lines 11 + 14)	\$462,360	\$15,349	\$7	\$12,647	\$27,253	\$33,779	\$38,705	\$20,986	\$22,233	\$633,320
23	October (Line 7 + 8 times Lines 11 + 14)	\$607,699	\$17,097	\$7	\$14,180	\$38,880	\$33,761	\$67,718	\$24,044	\$37,078	\$840,465
24	November (Line 9 times Lines 11 + 14)	\$960,360	\$12,425	\$5	\$8,165	\$98,795	\$26,281	\$167,958	\$16,775	\$80,564	\$1,371,328
25	Total (Lines 18 through 24)	\$4,551,419	\$105,937	\$44	\$89,154	\$354,816	\$221,504	\$568,216	\$154,940	\$296,832	\$6,342,861
Off Peak Production & Storage Demand Recovery Revenues											
26	May (Line 1 times Lines 12 + 15)	\$35,623	\$1,735	\$1	\$1,078	\$2,027	\$2,641	\$4,107	\$5,697	\$2,902	\$55,812
27	June (Line 2 times Lines 12 + 15)	\$59,456	\$3,620	\$2	\$2,667	\$2,968	\$6,470	\$6,715	\$10,338	\$4,368	\$96,605
28	July (Lines 3 times Lines 12 + 15)	\$32,719	\$3,066	\$2	\$2,209	\$1,131	\$5,732	\$2,639	\$7,413	\$2,289	\$57,201
29	August (Line 4 times Lines 12 + 15)	\$28,140	\$2,681	\$2	\$1,861	\$917	\$4,870	\$1,843	\$7,200	\$1,825	\$49,339
30	September (Line 5 + 6 times Lines 12 + 15)	\$28,600	\$2,791	\$2	\$1,825	\$1,011	\$5,215	\$2,016	\$6,906	\$1,613	\$49,978
31	October (Line 7 + 8 times Lines 12 + 15)	\$37,590	\$3,109	\$2	\$2,046	\$1,442	\$5,212	\$3,527	\$7,913	\$2,689	\$63,530
32	November (Line 9 times Lines 12 + 15)	\$59,404	\$2,259	\$1	\$1,178	\$3,664	\$4,058	\$8,748	\$5,520	\$5,844	\$90,676
33	Total (Lines 26 through 32)	\$281,531	\$19,261	\$14	\$12,864	\$13,160	\$34,199	\$29,595	\$50,988	\$21,530	\$463,142
Off Peak Commodity Recovery Rates											
34	Commodity cost (through 8/31/05)	\$8.179	\$8.072	\$7.804	\$8.087	\$8.258	\$8.074	\$8.235	\$8.099	\$8.193	
35	Reconciliation adjustment	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	
36	Total	\$7.929	\$7.822	\$7.554	\$7.837	\$8.008	\$7.824	\$7.985	\$7.849	\$7.943	
37	Commodity cost (9/01/05 - 9/30/05)	\$9.594	\$9.487	\$9.219	\$9.502	\$9.673	\$9.489	\$9.650	\$9.514	\$9.608	
38	Reconciliation adjustment	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	
39	Total	\$9.344	\$9.237	\$8.969	\$9.252	\$9.423	\$9.239	\$9.400	\$9.264	\$9.358	
40	Commodity cost (10/01/05 - 10/31/05)	\$12.720	\$12.613	\$12.345	\$12.628	\$12.799	\$12.615	\$12.776	\$12.640	\$12.734	
41	Reconciliation adjustment	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	<u>(\$0.250)</u>	
42	Total	\$12.470	\$12.363	\$12.095	\$12.378	\$12.549	\$12.365	\$12.526	\$12.390	\$12.484	
Off Peak Commodity Recovery Revenues											
43	May (Line 1 times Line 36)	\$4,707,543	\$178,613	\$58	\$117,386	\$318,330	\$317,875	\$504,558	\$346,643	\$307,375	\$6,798,381
44	June (Line 2 times Line 36)	\$7,857,141	\$372,560	\$144	\$290,283	\$466,040	\$778,825	\$824,935	\$629,039	\$462,607	\$11,681,574
45	July (Line 3 times Line 36)	\$4,323,872	\$315,592	\$144	\$240,414	\$177,570	\$690,009	\$324,130	\$451,063	\$242,454	\$6,765,247
46	August (Line 4 times Line 36)	\$3,718,669	\$275,970	\$144	\$202,531	\$143,965	\$586,196	\$226,396	\$438,082	\$193,283	\$5,785,234
47	September (Line 5 times Line 36 + Line 6 times Line 39)	\$4,050,397	\$308,801	\$153	\$212,915	\$169,854	\$667,806	\$264,348	\$444,355	\$185,649	\$6,304,278
48	October (Line 7 times Line 39 + Line 8 times Line 42)	\$6,764,807	\$433,953	\$194	\$299,699	\$309,905	\$834,447	\$584,806	\$634,420	\$396,256	\$10,258,488
49	November (Line 9 times Line 42)	\$12,346,076	\$367,482	\$142	\$202,550	\$901,654	\$771,888	\$1,685,775	\$530,214	\$972,688	\$17,778,469
50	Total (Lines 43 through 49)	\$43,768,505	\$2,252,970	\$978	\$1,565,779	\$2,487,319	\$4,647,046	\$4,414,946	\$3,473,817	\$2,760,310	\$65,371,671

OFF PEAK

BAY STATE GAS COMPANY
Cost of Firm Gas Allowable
November 2004 through October 2005

Section 5
FORM III
Schedule 4

<u>Line No.</u>		<u>2004</u>		<u>2005</u>		<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
		<u>November</u>	<u>December</u>	<u>January</u>											
	<u>OFF PEAK PERIOD DEMAND COSTS</u>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
1	Supplier Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,835	\$125,756	\$145,937	\$121,497	\$123,413	\$126,089	\$770,527
2	Pipeline Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,244,004	\$1,306,158	\$1,353,692	\$1,303,004	\$1,305,119	\$1,297,025	\$7,809,003
3	Capacity Release - Schedule 6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Storage Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Peaking Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Off- System Sales Margin - Schedule 7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Interruptible Sales Margin - Schedule 5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Transportation Imbalance Penalties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$17,351)	(\$4,631)	(\$15,541)	(\$3,848)	(\$1,656)	(\$491)	(\$43,518)
9	Subtotal Demand (Lines 1 through 8)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,354,489	\$1,427,283	\$1,484,089	\$1,420,653	\$1,426,875	\$1,422,623	\$8,536,012
10	Production and Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$93,798	\$60,099	\$61,404	\$56,282	\$69,618	\$144,432	\$485,633
11	TOTAL OFF PEAK PERIOD DEMAND (Ln. 9 + 10)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,448,287	\$1,487,382	\$1,545,493	\$1,476,935	\$1,496,493	\$1,567,055	\$9,021,645
	<u>OFF PEAK PERIOD COMMODITY COSTS</u>														
12	Supplier Commodity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,532,987	\$16,643,180	\$16,276,135	\$14,803,417	\$23,034,707	\$42,456,697	\$137,747,122
13	Pipeline Commodity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$249,791)	\$392,557	(\$40,016)	\$442,863	(\$25,213)	(\$197,628)	\$322,771
14	Storage Commodity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,182,760	\$4,276,582	(\$1,124,675)	(\$2,988,656)	(\$3,360,635)	(\$1,881,151)	(\$1,895,774)
15	Storage Injections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,754,154)	(\$5,297,445)	(\$6,361,720)	(\$401,822)	(\$23,690,969)	(\$11,401,617)	(\$54,907,727)
16	Flowing Supply Reclass - Sch. 5 and 7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$503,723)	(\$1,842,882)	(\$1,533,223)	(\$1,059,661)	(\$647,517)	(\$796,953)	(\$6,383,958)
17	Storage Withdrawals and Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604,225	\$192,520	\$300,567	\$89,168	\$7,520,682	\$2,191,649	\$10,898,812
18	Cash In/Cash Outs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$535,540)	(\$307,893)	(\$953,237)	\$27,847	(\$346,235)	\$818,118	(\$1,296,941)
19	Company Use Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$90,731)	(\$64,614)	(\$38,001)	(\$49,696)	(\$37,337)	(\$47,701)	(\$328,080)
20	Boil Off	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$266,376	\$326,502	\$401,914	\$368,482	\$470,353	\$571,291	\$2,404,918
21	Property Tax West Virginia	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,248	\$0	\$0	\$11,248
22	LPG Withdrawals and Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$162,320)	\$440,767	(\$34,273)	\$17,025	\$14,874	(\$24,358)	\$251,715
23	LNG Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,522	\$2,142,453	\$1,647,077	\$481,446	\$802,415	\$5,107,913
24	LNG Withdrawals and Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,064,133)	\$545,347	\$67,756	\$64,974	(\$49,358)	\$63,715	(\$371,699)
25	Peaking Commodity-Co. Managed Releases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Exchange Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,104,059)	(\$9,286,524)	(\$2,656,932)	(\$5,839,098)	\$7,207,747	(\$4,319,257)	(\$16,998,123)
27	TOTAL OFF PEAK PERIOD COMMODITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,121,895	\$6,052,619	\$6,446,749	\$7,133,166	\$10,572,546	\$28,235,222	\$74,562,198
28	Total Off Peak Period Gas Costs (Ln. 11 + 27)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,570,182	\$7,540,002	\$7,992,241	\$8,610,101	\$12,069,039	\$29,802,277	\$83,583,843

PEAK

BAY STATE GAS COMPANY
Working Capital Reconciliation
For the Period January 2005 through January 2006

Section 6
Page 1 of 4

DEMAND - Account 182.13

<u>Line No.</u>	<u>Month</u>	<u>Beginning Balance</u> (1)	<u>Wkg Cap Allowance</u> (Pg 3 of 4) (2)	<u>Firm Sales</u> (3)	<u>Allowed Wkg Cap Collection Rate</u> (4)	<u>Customer Collections (Passback)</u> (5)=(3*4)	<u>Subtotal Balance</u> (6)=(1+2-5)	<u>Avg. Monthly Balance</u> (7)=(1+6)/2	<u>Interest Rate</u> (8)	<u>Days In Month</u> (9)	<u>Monthly Interest</u> (10)=(7*8*9/365)	<u>A/C 182.13 Ending Balance</u> (11)=(6+10)
1	January 2005	\$ 148,856	\$ 86,961	5,853,291	0.0200	\$ 117,066	\$ 118,751	\$ 133,804	5.25%	31	\$ 597	\$ 119,348
2	February	\$ 119,348	\$ 86,901	6,741,994	0.0200	\$ 134,840	\$ 71,409	\$ 95,379	5.49%	28	\$ 402	\$ 71,811
3	March	\$ 71,811	\$ 85,547	5,594,262	0.0200	\$ 111,885	\$ 45,473	\$ 58,642	5.58%	31	\$ 278	\$ 45,751
4	April	\$ 45,751	\$ 37,836	3,842,453	0.0200	\$ 76,849	\$ 6,738	\$ 26,245	5.75%	30	\$ 124	\$ 6,862
5	May	\$ 6,862	\$ 13,604	1,256,667	0.0200	\$ 25,133	\$ (4,667)	\$ 1,098	5.98%	31	\$ 6	\$ (4,661)
6	June	\$ (4,661)	\$ 16,601				\$ 11,940	\$ 3,640	6.01%	30	\$ 18	\$ 11,958
7	July	\$ 11,958	\$ 17,139				\$ 29,097	\$ 20,528	6.25%	31	\$ 109	\$ 29,206
8	August	\$ 29,206	\$ (2,713)				\$ 26,493	\$ 27,850	6.44%	31	\$ 152	\$ 26,645
9	September	\$ 26,645	\$ 18,819				\$ 45,464	\$ 36,055	6.59%	30	\$ 195	\$ 45,659
10	October	\$ 45,659	\$ 17,022				\$ 62,681	\$ 54,170	6.75%	31	\$ 311	\$ 62,992
11	November	\$ 62,992	\$ 48,993	922,444	0.0220	\$ 20,294	\$ 91,691	\$ 77,342	7.00%	30	\$ 445	\$ 92,136
12	Dec. - Old	\$ 92,136	\$ 34,597	2,290,668	0.0220	\$ 50,395				31		
13	Dec. - New			2,186,600	0.0150	\$ 32,799	\$ 43,539	\$ 67,838	7.15%	31	\$ 412	\$ 43,951
14	January 2006	\$ 43,951	\$ 37,816	5,711,617	0.0150	\$ 85,674	\$ (3,907)	\$ 20,022	7.26%	31	\$ 123	\$ (3,784)

COMMODITY - Account 182.11

<u>Line No.</u>	<u>Month</u>	<u>Beginning Balance</u> (1)	<u>Wkg Cap Allowance</u> (Pg 3 of 4) (2)	<u>Firm Sales</u> (3)	<u>Allowed Wkg Cap Collection Rate</u> (4)	<u>Customer Collections (Passback)</u> (5)=(3*4)	<u>Subtotal Balance</u> (6)=(1+2-5)	<u>Avg. Monthly Balance</u> (7)=(1+6)/2	<u>Interest Rate</u> (8)	<u>Days In Month</u> (9)	<u>Monthly Interest</u> (10)=(7*8*9/365)	<u>A/C 182.11 Ending Balance</u> (11)=(6+10)
15	January 2005	\$ 1,051,959	\$ 659,743	5,853,291	0.1070	\$ 626,302	\$ 1,085,400	\$ 1,068,680	5.25%	31	\$ 4,765	\$ 1,090,165
16	February	\$ 1,090,165	\$ 517,919	6,741,994	0.1070	\$ 721,393	\$ 886,691	\$ 988,428	5.49%	28	\$ 4,163	\$ 890,854
17	March	\$ 890,854	\$ 483,338	5,594,262	0.1070	\$ 598,586	\$ 775,606	\$ 833,230	5.58%	31	\$ 3,949	\$ 779,555
18	April	\$ 779,555	\$ 188,113	3,842,453	0.1070	\$ 411,142	\$ 556,526	\$ 668,041	5.75%	30	\$ 3,157	\$ 559,683
19	May	\$ 559,683	\$ 635	1,256,667	0.1070	\$ 134,463	\$ 425,855	\$ 492,769	5.98%	31	\$ 2,503	\$ 428,358
20	June	\$ 428,358	\$ 2,070				\$ 430,428	\$ 429,393	6.01%	30	\$ 2,121	\$ 432,549
21	July	\$ 432,549	\$ 1,130				\$ 433,679	\$ 433,114	6.25%	31	\$ 2,299	\$ 435,978
22	August	\$ 435,978	\$ 1,139				\$ 437,117	\$ 436,548	6.44%	31	\$ 2,388	\$ 439,505
23	September	\$ 439,505	\$ 1,992				\$ 441,497	\$ 440,501	6.59%	30	\$ 2,386	\$ 443,883
24	October	\$ 443,883	\$ 197				\$ 444,080	\$ 443,982	6.75%	31	\$ 2,545	\$ 446,625
25	November	\$ 446,625	\$ 509,300	922,444	0.1660	\$ 153,126	\$ 802,799	\$ 624,712	7.00%	30	\$ 3,594	\$ 806,393
26	Dec. Old	\$ 806,393	\$ 440,527	2,290,668	0.1660	\$ 380,251				31		
27	Dec. New			2,186,600	0.1130	\$ 247,086	\$ 619,583	\$ 712,988	7.15%	31	\$ 4,330	\$ 623,913
28	January 2006	\$ 623,913	\$ 654,458	5,711,617	0.1130	\$ 645,413	\$ 632,958	\$ 628,436	7.26%	31	\$ 3,875	\$ 636,833

OFF PEAK

BAY STATE GAS COMPANY
Working Capital Reconciliation
For the Period January 2005 through January 2006

Section 6

Page 2 of 4

DEMAND - Account 182.20

Line No.	Month	Beginning Balance (1)	Wkg Cap Allowance (Pg 3 of 4) (2)	Firm Sales (3)	Allowed Wkg Cap Collection Rate (4)	Customer Collections (Passback) (5)=(3*4)	Subtotal Balance (6)=(1+2-5)	Avg. Monthly Balance (7)=(1+6)/2	Interest Rate (8)	Days In Month (9)	Monthly Interest (10)=(7*8*9/365)	A/C 182.20 Ending Balance (11)=(6+10)
1	January 2005	\$ (423,036)					\$ (423,036)	\$ (423,036)	5.25%	31	\$ (1,886)	\$ (424,922)
2	February	\$ (424,922)					\$ (424,922)	\$ (424,922)	5.49%	28	\$ (1,790)	\$ (426,712)
3	March	\$ (426,712)					\$ (426,712)	\$ (426,712)	5.58%	31	\$ (2,022)	\$ (428,734)
4	April	\$ (428,734)					\$ (428,734)	\$ (428,734)	5.75%	30	\$ (2,026)	\$ (430,760)
5	May	\$ (430,760)	\$ 16,651	857,962	(0.0390)	\$ (33,461)	\$ (380,648)	\$ (405,704)	5.98%	31	\$ (2,061)	\$ (382,709)
6	June	\$ (382,709)	\$ 17,801	1,475,060	(0.0390)	\$ (57,527)	\$ (307,381)	\$ (345,045)	6.01%	30	\$ (1,704)	\$ (309,085)
7	July	\$ (309,085)	\$ 18,395	855,316	(0.0390)	\$ (33,357)	\$ (257,333)	\$ (283,209)	6.25%	31	\$ (1,503)	\$ (258,836)
8	August	\$ (258,836)	\$ 17,585	731,540	(0.0390)	\$ (28,530)	\$ (212,721)	\$ (235,779)	6.44%	31	\$ (1,290)	\$ (214,011)
9	September	\$ (214,011)	\$ 18,410	744,852	(0.0390)	\$ (29,049)	\$ (166,552)	\$ (190,282)	6.59%	30	\$ (1,031)	\$ (167,583)
10	October	\$ (167,583)	\$ 17,646	955,757	(0.0390)	\$ (37,275)	\$ (112,662)	\$ (140,123)	6.75%	31	\$ (803)	\$ (113,465)
11	November	\$ (113,465)		1,425,728	(0.0390)	\$ (55,603)	\$ (57,862)	\$ (85,664)	7.00%	30	\$ (493)	\$ (58,355)
12	December	\$ (58,355)					\$ (58,355)	\$ (58,355)	7.15%	31	\$ (354)	\$ (58,709)
13	January 2006	\$ (58,709)					\$ (58,709)	\$ (58,709)	7.26%	31	\$ (362)	\$ (59,071)

COMMODITY - Account 182.21

Line No.	Month	Beginning Balance (1)	Wkg Cap Allowance (Pg 3 of 4) (2)	Firm Sales (3)	Allowed Wkg Cap Collection Rate (4)	Customer Collections (Passback) (5)=(3*4)	Subtotal Balance (6)=(1+2-5)	Avg. Monthly Balance (7)=(1+6)/2	Interest Rate (8)	Days In Month (9)	Monthly Interest (10)=(7*8*9/365)	A/C 182.21 Ending Balance (11)=(6+10)
14	January 2005	\$ (1,251,520)					\$ (1,251,520)	\$ (1,251,520)	5.25%	31	\$ (5,580)	\$ (1,257,100)
15	February	\$ (1,257,100)					\$ (1,257,100)	\$ (1,257,100)	5.49%	28	\$ (5,294)	\$ (1,262,394)
16	March	\$ (1,262,394)					\$ (1,262,394)	\$ (1,262,394)	5.58%	31	\$ (5,983)	\$ (1,268,377)
17	April	\$ (1,268,377)					\$ (1,268,377)	\$ (1,268,377)	5.75%	30	\$ (5,994)	\$ (1,274,371)
18	May	\$ (1,274,371)	\$ 204,380	857,962	(0.0470)	\$ (40,324)	\$ (1,029,667)	\$ (1,152,019)	5.98%	31	\$ (5,851)	\$ (1,035,518)
19	June	\$ (1,035,518)	\$ 98,474	1,475,060	(0.0470)	\$ (69,328)	\$ (867,716)	\$ (951,617)	6.01%	30	\$ (4,701)	\$ (872,417)
20	July	\$ (872,417)	\$ 98,908	855,316	(0.0470)	\$ (40,200)	\$ (733,309)	\$ (802,863)	6.25%	31	\$ (4,262)	\$ (737,571)
21	August	\$ (737,571)	\$ 101,412	731,540	(0.0470)	\$ (34,382)	\$ (601,777)	\$ (669,674)	6.44%	31	\$ (3,663)	\$ (605,440)
22	September	\$ (605,440)	\$ 144,762	744,852	(0.0470)	\$ (35,008)	\$ (425,670)	\$ (515,555)	6.59%	30	\$ (2,792)	\$ (428,462)
23	October	\$ (428,462)	\$ 360,101	955,757	(0.0470)	\$ (44,921)	\$ (23,440)	\$ (225,951)	6.75%	31	\$ (1,295)	\$ (24,735)
24	November	\$ (24,735)		1,425,728	(0.0470)	\$ (67,009)	\$ 42,274	\$ 8,770	7.00%	30	\$ 50	\$ 42,324
25	December	\$ 42,324					\$ 42,324	\$ 42,324	7.15%	31	\$ 257	\$ 42,581
26	January 2006	\$ 42,581					\$ 42,581	\$ 42,581	7.26%	31	\$ 263	\$ 42,844

Section 6
Page 3 of 4

Line No.	Description	January 2005 (1)	February (2)	March (3)	April (4)	May (5)	June (6)	July (7)	August (8)	September (9)	October (10)	November (11)	December (12)	2006 January (13)
Peak Gas Costs														
1	Total Peak Demand (Sect. 5, Form III, Sch. 4, Ln 9)	6,280,850	6,493,155	6,446,360	2,649,378	996,628	1,168,688	1,188,237	(382,922)	1,218,312	1,267,928	3,911,548	4,212,048	4,658,452
2	Plus Special Deal Margin (Sect. 5, Form III, Sch. 4, Ln 6)	593,322	432,703	394,415	370,530	-	63,885	2,598	1,538	-	315	-	40,000	-
3	Plus Inter. Sales Margin (Sect. 5, Form III, Sch. 4, Ln 7)	12,537	1,149	268	51,950	110,021	98,508	191,982	162,167	240,300	104,092	39,802	10,019	246
4	Working Capital Demand Gas Costs	6,886,709	6,927,007	6,841,043	3,071,858	1,106,649	1,331,081	1,382,817	(219,217)	1,458,612	1,372,335	3,951,350	4,262,067	4,658,698
5	Total Peak Commodity (Sect. 5, Form III, Sch. 4, Ln 27)	51,253,627	40,756,736	38,567,846	14,866,789	51,693	165,942	91,186	91,997	154,386	15,880	40,117,516	54,112,032	80,623,115
6	Plus Flowing Supply (Sect. 5, Form III, Sch. 4, Ln 16)	993,349	527,124	83,735	405,918	-	-	-	-	-	-	958,284	157,601	1,211
7	Working Capital Commodity Gas Costs	52,246,976	41,283,860	38,651,581	15,272,707	51,693	165,942	91,186	91,997	154,386	15,880	41,075,800	54,269,633	80,624,326
Off-Peak Gas Costs														
8	Total Off Peak Demand (Sect. 5, Form III, Sch. 4, Ln 9)	-	-	-	-	1,354,489	1,427,283	1,484,089	1,420,653	1,426,875	\$1,422,623	-	-	-
9	Working Capital Demand Gas Costs	-	-	-	-	1,354,489	1,427,283	1,484,089	1,420,653	1,426,875	1,422,623	-	-	-
10	Total Off Peak Commodity (Sect. 5, Form III, Sch. 4, Ln 27)	-	-	-	-	16,121,895	6,052,619	6,446,749	7,133,166	10,572,546	28,235,222	-	-	-
11	Plus Flowing Supply (Sect. 5, Form III, Sch. 4, Ln 16)	-	-	-	-	503,723	1,842,882	1,533,223	1,059,661	647,517	796,953	-	-	-
12	Working Capital Commodity Gas Costs	-	-	-	-	16,625,618	7,895,501	7,979,972	8,192,827	11,220,063	29,032,175	-	-	-
13	Weighted Net Lag Days (Pg. 4 of 4)	30.88	30.68	30.58	30.12	30.06	30.50	30.31	30.27	31.55	30.33	30.32	25.30	25.30
14	Net Lead/Lag Days (Ln 13/365)	8.4600%	8.4050%	8.3780%	8.2520%	8.2360%	8.3560%	8.3040%	8.2930%	8.6440%	8.3100%	8.3070%	6.9320%	6.9320%
Working Capital Requirement - Peak Period														
15	Demand (Ln 4 * Ln 14)	582,616	582,215	573,143	253,490	91,144	111,225	114,829	(18,180)	126,082	114,041	328,239	295,446	322,941
16	Commodity Costs (Ln 7 * Ln 14)	4,420,094	3,469,908	3,238,229	1,260,304	4,257	13,866	7,572	7,629	13,345	1,320	3,412,167	3,761,971	5,588,878
Working Capital Requirement - Off-Peak														
17	Demand (Ln 9 * Ln 14)	-	-	-	-	111,556	119,264	123,239	117,815	123,339	118,220	-	-	-
18	Commodity Costs (Ln 12 * Ln 14)	-	-	-	-	1,369,286	659,748	662,657	679,431	969,862	2,412,574	-	-	-
19	Before Tax Return (See Lines 24 through 29)	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	14.926%	11.71%	11.71%
Working Capital Allowance - Peak Period														
20	Demand (Ln 15 * Ln 19)	86,961	86,901	85,547	37,836	13,604	16,601	17,139	(2,713)	18,819	17,022	48,993	34,597	37,816
21	Commodity Costs (Ln 16 * Ln 19)	659,743	517,919	483,338	188,113	635	2,070	1,130	1,139	1,992	197	509,300	440,527	654,458
Working Capital Allowance - Off - Peak														
22	Demand (Ln 17 * Ln 19)	-	-	-	-	16,651	17,801	18,395	17,585	18,410	17,646	-	-	-
23	Commodity Costs (Ln 18 * Ln 19)	-	-	-	-	204,380	98,474	98,908	101,412	144,762	360,101	-	-	-
24	Allowed Rate of Return	8.22%												
25	Less Debt Component	2.82%												
26	Equity Component (Ln 24 less Ln. 25)	5.40%												
27	Effective Tax Rate	39.225%												
28	Equity with Income Tax (Ln 26/1-Ln 27)	8.89%												
29	Before Tax Return (Ln 25 + Ln 28)	11.71%												

BAY STATE GAS COMPANY
Working Capital Calculation of Lead/Lag Days for Peak and Off Peak Period Combined
For the Period January 2005 through November 2005

Section 6
Page 4 of 4

<u>Ln</u> <u>No.</u>	<u>Item</u>	<u>Date</u>	<u>Natural Gas</u> <u>Commodity</u>	<u>Undergrd Storage</u> <u>Withdrawals</u> <u>Commodity</u>	<u>Demand & Capacity</u> <u>(Excl. P&S)</u>	<u>LNG Commodity</u> <u>(Withdrawals & Boil Off)</u>	<u>LPG Commodity</u> <u>(Withdrawals)</u>	<u>Off-System Commodity</u>	<u>Manual Billed</u> <u>Interruptible Commodity</u>	<u>Total</u> <u>(Excl. S&P & Incl. Flowing Supplies)</u>
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Lag Days (Last Approved)		66.50	66.50	66.50	66.50	66.50	34.10	35.10	
2	Lead Days (Last Approved)		<u>36.40</u>	<u>33.80</u>	<u>36.40</u>	<u>33.80</u>	<u>33.80</u>	<u>36.00</u>	<u>36.00</u>	
3	Net Lag Days		30.10	32.70	30.10	32.70	32.70	(1.90)	(0.90)	
4	Sendout	Jan-05	34,694,968	12,180,940	6,886,709	5,749,181	(378,113)	-	-	59,133,686
5	Percent of sendout cost		58.67%	20.60%	11.65%	9.72%	-0.64%	0.00%	0.00%	100.00%
6	Weighted Lag Days (Mon. % * Ln. 3)		17.66	6.74	3.51	3.18	(0.21)	-	-	30.88
7	Sendout	Feb-05	30,456,502	10,528,963	6,927,006	358,537	(60,143)	-	-	48,210,866
8	Percent of sendout cost		63.17%	21.84%	14.37%	0.74%	-0.12%	0.00%	0.00%	100.00%
9	Weighted Lag Days (Mon. % * Ln. 3)		19.01	7.14	4.33	0.24	(0.04)	-	-	30.68
10	Sendout	Mar-05	30,054,449	8,392,319	6,841,042	395,505	(190,693)	-	-	45,492,622
11	Percent of sendout cost		66.06%	18.45%	15.04%	0.87%	-0.42%	0.00%	0.00%	100.00%
12	Weighted Lag Days (Mon. % * Ln. 3)		19.88	6.03	4.53	0.28	(0.14)	-	-	30.58
13	Sendout	Apr-05	15,138,534	543,391	3,071,858	279,644	(688,862)	-	-	18,344,565
14	Percent of sendout cost		82.52%	2.96%	16.75%	1.52%	-3.76%	0.00%	0.00%	100.00%
15	Weighted Lag Days (Mon. % * Ln. 3)		24.84	0.97	5.04	0.50	(1.23)	-	-	30.12
16	Sendout	May-05	16,981,471	657,036	2,461,138	(798,876)	(162,320)	-	-	19,138,449
17	Percent of sendout cost		88.73%	3.43%	12.86%	-4.17%	-0.85%	0.00%	0.00%	100.00%
18	Weighted Lag Days (Mon. % * Ln. 3)		26.71	1.12	3.87	(1.36)	(0.28)	-	-	30.06
19	Sendout	Jun-05	6,390,365	280,118	2,758,360	950,194	440,767	-	-	10,819,803
20	Percent of sendout cost		59.06%	2.59%	25.49%	8.78%	4.07%	0.00%	0.00%	100.00%
21	Weighted Lag Days (Mon. % * Ln. 3)		17.78	0.85	7.67	2.87	1.33	-	-	30.50
22	Sendout	Jul-05	7,244,007	404,342	2,866,905	457,082	(34,273)	-	-	10,938,063
23	Percent of sendout cost		66.23%	3.70%	26.21%	4.18%	-0.31%	0.00%	0.00%	100.00%
24	Weighted Lag Days (Mon. % * Ln. 3)		19.94	1.21	7.89	1.37	(0.10)	-	-	30.31
25	Sendout	Aug-05	7,641,930	236,094	1,201,436	389,775	17,025	-	-	9,486,260
26	Percent of sendout cost		80.56%	2.49%	12.67%	4.11%	0.18%	0.00%	0.00%	100.00%
27	Weighted Lag Days (Mon. % * Ln. 3)		24.25	0.81	3.81	1.34	0.06	-	-	30.27
28	Sendout	Sep-05	3,263,512	7,711,227	3,130,994	384,839	14,874	-	-	14,505,447
29	Percent of sendout cost		22.50%	53.16%	21.58%	2.65%	0.10%	0.00%	0.00%	100.00%
30	Weighted Lag Days (Mon. % * Ln. 3)		6.77	17.38	6.50	0.87	0.03	-	-	31.55
31	Sendout	Oct-05	26,229,877	2,419,216	2,342,486	423,320	(24,358)	-	-	31,390,541
32	Percent of sendout cost		83.56%	7.71%	7.46%	1.35%	-0.08%	0.00%	0.00%	100.00%
33	Weighted Lag Days (Mon. % * Ln. 3)		25.15	2.52	2.25	0.44	(0.03)	-	-	30.33
34	Sendout	Nov-05	37,176,802	3,540,057	3,579,215	368,593	(9,651)	-	-	44,655,015
35	Percent of sendout cost		83.25%	7.93%	8.02%	0.83%	-0.02%	0.00%	0.00%	100.00%
36	Weighted Lag Days (Mon. % * Ln. 3)		25.06	2.59	2.41	0.27	(0.01)	-	-	30.32

BAY STATE GAS COMPANY
Passback of Supplier Refunds Reconciliation
For the Period January 2005 through January 2006

Section 7
PAGE 1 of 1

<u>Line No.</u>	<u>Month</u>	<u>Year</u>	<u>Beginning Mth Balance</u> (1)	<u>Acct. 526586 Refunds</u> (2)	<u>Passback Factor</u> (3)	<u>Refund Passback</u> (4=5*3)	<u>Firm Sales Vol. (MMBtu)</u> (5)	<u>Ending Mth Balance</u> (6=1+2+4)	<u>Average Mth Bal.</u> (7=(1+6)/2)	<u>Interest Rate</u> (8)	<u>No. Days</u> (9)	<u>Monthly Interest</u> (10=7*8/365*9)	<u>Balance w/Interest</u> (11=6+10)
May R-1													
1	January	05	\$147,650	\$0	\$0.0070	(\$40,973)	5,853,291	\$106,677	\$127,164	5.25%	31	\$567	107,244
2	February	05	\$107,244	\$0	\$0.0070	(\$47,194)	6,741,994	\$60,050	\$83,647	5.49%	28	\$352	60,402
3	March	05	\$60,402	\$0	\$0.0070	(\$39,160)	5,594,262	\$21,242	\$40,822	5.58%	31	\$193	21,435
4	April	05	\$21,435	\$0	\$0.0070	(\$26,897)	3,842,453	(\$5,462)	\$7,987	5.75%	30	\$38	(\$5,424)
5	May (Winter)	05	(\$5,424)	\$0	\$0.0070	(\$8,797)	1,256,667						
6	May (Summer)	05			(\$0.0010)	\$858	857,962	(\$13,363)	(\$9,394)	5.98%	31	(\$48)	(13,411)
7	June	05	(\$13,411)	\$0	(\$0.0010)	\$1,475	1,475,060	(\$11,936)	(\$12,674)	6.01%	30	(\$63)	(11,999)
8	July	05	(\$11,999)	\$0	(\$0.0010)	\$855	855,136	(\$11,144)	(\$11,572)	6.25%	31	(\$61)	(11,205)
9	August	05	(\$11,205)	\$0	(\$0.0010)	\$732	731,540	(\$10,473)	(\$10,839)	6.44%	31	(\$59)	(10,532)
10	September	05	(\$10,532)	\$0	(\$0.0010)	\$745	744,852	(\$9,787)	(\$10,160)	6.59%	30	(\$55)	(9,842)
11	October	05	(\$9,842)	\$0	(\$0.0010)	\$956	955,757	(\$8,886)	(\$9,364)	6.75%	31	(\$54)	(8,940)
12	November	05	(\$8,940)	\$0	(\$0.0010)	\$2,348	2,348,172	(\$6,592)	(\$7,766)	7.00%	30	(\$45)	(6,637)
13	December	05	(\$6,637)	\$0	(\$0.0010)	\$4,477	4,477,267	(\$2,160)	(\$4,399)	7.15%	31	(\$27)	(2,187)
14	January	06	(\$2,187)	\$0	(\$0.0010)	\$5,712	5,711,617	\$3,525	\$669	7.26%	31	\$4	3,529

<u>Line No.</u>	<u>Month</u>	<u>Year</u>	<u>Beginning Mth Balance</u> (1)	<u>Acct. 526585 Refunds</u> (2)	<u>Passback Factor</u> (3)	<u>Refund Passback</u> (4=5*3)	<u>Firm Sales Vol. (MMBtu)</u> (5)	<u>Ending Mth Balance</u> (6=1+2+4)	<u>Average Mth Bal.</u> (7=(1+6)/2)	<u>Interest Rate</u> (8)	<u>No. Days</u> (9)	<u>Monthly Interest</u> (10=7*8/365*9)	<u>Balance w/Interest</u> (11=6+10)
November R-2													
15	January	05	(\$1,075,754)	\$0	(\$0.0320)	\$187,305	5,853,291	(\$888,449)	(\$982,102)	5.25%	31	(\$4,379)	(892,828)
16	February	05	(\$892,828)	\$0	(\$0.0320)	\$215,744	6,741,994	(\$677,084)	(\$784,956)	5.49%	28	(\$3,306)	(680,390)
17	March	05	(\$680,390)	\$0	(\$0.0320)	\$179,016	5,594,262	(\$501,374)	(\$590,882)	5.58%	31	(\$2,800)	(504,174)
18	April	05	(\$504,174)	(\$778)	(\$0.0320)	\$122,958	3,842,453	(\$381,994)	(\$443,084)	5.75%	30	(\$2,094)	(384,088)
19	May (Winter)	05	(\$384,088)	(\$964)	(\$0.0320)	\$40,213	1,256,667						
20	May (Summer)	05			(\$0.0320)	\$27,455	857,962	(\$317,384)	(\$350,736)	5.98%	31	(\$1,781)	(319,165)
21	June	05	(\$319,165)	\$0	(\$0.0320)	\$47,202	1,475,060	(\$271,963)	(\$295,564)	6.01%	30	(\$1,460)	(273,423)
22	July	05	(\$273,423)	\$0	(\$0.0320)	\$27,370	855,316	(\$246,053)	(\$259,738)	6.25%	31	(\$1,379)	(247,432)
23	August	05	(\$247,432)	\$0	(\$0.0320)	\$23,409	731,540	(\$224,023)	(\$235,728)	6.44%	31	(\$1,289)	(225,312)
24	September	05	(\$225,312)	\$0	(\$0.0320)	\$23,835	744,852	(\$201,477)	(\$213,395)	6.59%	30	(\$1,156)	(202,633)
25	October	05	(\$202,633)	\$0	(\$0.0320)	\$30,584	955,757	(\$172,049)	(\$187,341)	6.75%	31	(\$1,074)	(173,123)
26	November (Summer)	05	(\$173,123)	\$0	(\$0.0320)	\$45,623	1,425,728						
27	November (Winter)	05			(\$0.0020)	\$1,845	922,444	(\$125,655)	(\$149,389)	7.00%	30	(\$859)	(126,514)
28	December	05	(\$126,514)	\$0	(\$0.0020)	\$8,955	4,477,267	(\$117,559)	(\$122,037)	7.15%	31	(\$741)	(118,300)
29	January	06	(\$118,300)	\$0	(\$0.0020)	\$11,423	5,711,617	(\$106,877)	(\$112,589)	7.26%	31	(\$694)	(107,571)

BAY STATE GAS COMPANY
Bad Debt Recovery Reconciliation
For the Period January 2005 through January 2006

Section 8
Page 1 of 2

Line No.	Month	Year	Beginning Mth Balance (1)	Total Write-Offs (2)	Gas % Write-off * (3)	Gas Write-Offs (4=2*3)	Wkging Cap Allowance (5)	Recovery Factor (6)	Firm Sales Vol. MMBtu (7)	Collections (8=6*7)	Ending Mth Bal. (10=1+4+5+8+9)	Average Mth Bal. (11=(1+10)/2)	Interest Rate (12)	No. Days (13)	Monthly Interest (14=11*12/365*13)	Balance w/ Interest (15=10+14)
1	January	05	\$5,157,521	\$816,314	69.71%	\$569,052	\$10,473	0.224	5,853,291	(\$1,311,137)	\$4,425,909	\$4,791,715	5.25%	31	\$21,366	\$4,447,275
2	February	05	\$4,447,275	\$437,379	70.31%	\$307,521	\$5,659	0.224	6,741,994	(\$1,510,207)	\$3,250,248	\$3,848,762	5.49%	28	\$16,209	\$3,266,457
3	March	05	\$3,266,457	\$358,072	70.91%	\$253,909	\$4,672	0.224	5,594,262	(\$1,253,115)	\$2,271,923	\$2,769,190	5.58%	31	\$13,124	\$2,285,047
4	April	05	\$2,285,047	\$574,791	71.37%	\$410,228	\$7,549	0.224	3,842,453	(\$860,709)	\$1,842,115	\$2,063,581	5.75%	30	\$9,753	\$1,851,868
5	May (Winter)	05	\$1,851,868					0.224	1,256,667	(\$281,493)						
6	May (Summer)	05		\$677,199	71.58%	\$484,739	\$8,921	0.233	857,962	(\$199,905)	\$1,864,130	\$1,857,999	5.98%	31	\$9,437	\$1,873,567
7	June	05	\$1,873,567	\$1,020,557	71.73%	\$732,046	\$13,472	0.233	1,475,060	(\$343,689)	\$2,275,396	\$2,074,482	6.01%	30	\$10,247	\$2,285,643
8	July	05	\$2,285,643	\$1,076,625	71.76%	\$772,586	\$14,218	0.233	855,316	(\$199,289)	\$2,873,158	\$2,579,401	6.25%	31	\$13,692	\$2,886,850
9	August	05	\$2,886,850	\$2,060,022	71.71%	\$1,477,242	\$27,187	0.233	731,540	(\$170,449)	\$4,220,830	\$3,553,840	6.44%	31	\$19,438	\$4,240,268
10	September	05	\$4,240,268	\$2,077,889	71.70%	\$1,489,846	\$27,419	0.233	744,852	(\$173,550)	\$5,583,983	\$4,912,126	6.59%	30	\$26,606	\$5,610,589
11	October	05	\$5,610,589	\$695,797	71.76%	\$499,304	\$9,189	0.233	955,757	(\$222,691)	\$5,896,391	\$5,753,490	6.75%	31	\$32,984	\$5,929,375
12	Nov (Summer)	05	\$5,929,375					0.233	1,425,728	(\$332,195)						
13	Nov (Winter)	05		\$573,048	72.27%	\$414,142	\$7,621	0.279	922,444	(\$257,362)	\$5,761,581	\$5,845,478	7.00%	30	\$33,632	\$5,795,213
14	Dec (Summer)	05	\$5,795,213					0.279	2,290,668	(\$639,096)						
15	Dec (Winter)	05		\$277,557	73.25%	\$203,311	\$1,649	0.327	2,186,600	(\$715,018)	\$4,646,059	\$5,220,636	7.15%	31	\$31,703	\$4,677,762
16	January	06	\$4,677,762	\$453,095	74.20%	\$336,196	\$2,727	0.327	5,711,617	(\$1,867,699)	\$3,148,986	\$3,913,374	7.26%	31	\$24,130	\$3,173,116

* Actual gas % write-off is a 12-month rolling average calculated by dividing gas revenues by total firm sales and firm transportation revenues.

BAY STATE GAS COMPANY
Working Capital Allowance Calculation
For the Period January 2005 through January 2006

Section 8
Page 2 of 2

Year:	2005												2006
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>
1. TOTAL CHARGES ALLOWABLE FOR WORKING CAPITAL (Total gas write-offs)	569,052	307,521	253,909	410,228	484,739	732,046	772,586	1,477,242	1,489,846	499,304	414,142	203,311	336,196
2. WEIGHTED NET LAG DAYS (set per rate case)	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	25.30	25.30
3. NET LEAD/LAG REQUIREMENT: Line 2 div by 365 Days.	0.1233	0.1233	0.1233	0.1233	0.1233	0.1233	0.1233	0.1233	0.1233	0.1233	0.1233	0.0693	0.0693
4. BASE WORKING CAPITAL REQUIREMENT: Line 1 times Line 3.	\$70,164	\$37,917	\$31,307	\$50,581	\$59,768	\$90,261	\$95,260	\$182,144	\$183,698	\$61,564	\$51,064	\$14,089	\$23,298
5. COST OF CAPITAL (CC): Per Section 6.05. (set per rate case)	10.35%	10.35%	10.35%	10.35%	10.35%	10.35%	10.35%	10.35%	10.35%	10.35%	10.35%	8.22%	8.22%
6. RETURN ON BASE WORKING CAPITAL REQUIREMENT: Line 4 times Line 5.	\$7,262	\$3,924	\$3,240	\$5,235	\$6,186	\$9,342	\$9,859	\$18,852	\$19,013	\$6,372	\$5,285	\$1,158	\$1,915
7. WEIGHTED COST OF DEBT (CD): Per Section 6.05. (set per rate case)	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	2.82%	2.82%
8. INTEREST PORTION OF RETURN ON WORKING CAPITAL REQ: Line 4 times Line 7.	\$2,287	\$1,236	\$1,021	\$1,649	\$1,948	\$2,943	\$3,105	\$5,938	\$5,989	\$2,007	\$1,665	\$397	\$657
9. TAXABLE INCOME BASE: Line 6 minus Line 8.	\$4,975	\$2,688	\$2,219	\$3,586	\$4,238	\$6,399	\$6,754	\$12,914	\$13,024	\$4,365	\$3,620	\$761	\$1,258
10. 1 - COMBINED TAX RATE: Per Section 6.05. (Update annually)	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775	0.60775
11. RETURN REQUIREMENT PLUS TAXES: Line 9 div by Line 10.	\$8,186	\$4,423	\$3,651	\$5,900	\$6,973	\$10,529	\$11,113	\$21,249	\$21,430	\$7,182	\$5,956	\$1,252	\$2,070
12. BASE GAS COST WORKING CAPITAL ALLOWANCE: Line 8 plus Line 11. (per filing)	\$10,473	\$5,659	\$4,672	\$7,549	\$8,921	\$13,472	\$14,218	\$27,187	\$27,419	\$9,189	\$7,621	\$1,649	\$2,727

DEMAND SIDE MANAGEMENT
DEFERRED DEBIT - LOST NET REVENUE
OCTOBER 2003- DECEMBER 2004
ACCOUNT NUMBER 518238

Schedule
Page 1 of 3

	BEG BAL	LOST NET REVENUE RECLASS			ENDING BALANCE	MONTHLY AVERAGE	# OF DAYS	INTEREST @ 14.75%	END BAL W/ INT	MMBTU'S BY RATE TYPE		
		RES HEAT	RES NON-HEAT	C&I						RES HEAT	RES NON-HEAT	C&I
May-05	861,451	23,289	348	37,901	799,913	830,682	31	10,406	810,319	1,418,448	52,051	1,582,932
Jun-05	810,319	16,859	238	26,146	767,077	788,698	30	9,562	776,638	991,678	47,645	1,245,033
Jul-05	776,230	9,278	202	19,296	747,454	761,842	31	9,544	756,998	545,747	40,361	918,872
Aug-05	756,998	7,979	176	17,577	731,266	744,132	31	9,322	740,588	469,353	35,293	836,988
Sep-05	740,588	8,109	184	18,347	713,948	727,268	30	8,817	722,765	477,020	36,733	873,685
Oct-05	722,765	10,660	205	20,019	691,881	707,323	31	8,861	700,742	627,033	40,916	953,307
Nov-05	700,742	28,630	255	35,494	636,362	668,552	30	8,105	644,468	1,645,615	51,019	1,690,198
Dec-05	644,468	56,525	295	53,470	534,176	589,322	31	7,383	541,559	3,140,303	59,088	2,546,200
Jan-06	541,295	71,482	334	68,177	401,302	471,299	31	5,904	407,206	3,971,205	66,766	3,246,542

DEMAND SIDE MANAGEMENT
DEFERRED DEBIT - LOST NET REVENUE
JANUARY 2004 - DECEMBER 2004
ACCOUNT NUMBER 518239

Schedule
Page 2 of 3

		BEG	RECLASS FROM	RECOVERY BY RATE CLASS			ENDING	MONTHLY	# OF	INTEREST	END BAL	MMBTU'S BY RATE TYPE		
		BAL	518627/517640	RES HEAT	RES NON-HEAT	C&I	BALANCE	AVERAGE	DAYS	@ 14.75%	W/ INT	RES HEAT	RES NON-HEAT	C&I
May	05	92,836	0	12,172	237	12,663	67,764	80,300	31	1,006	68,769	1,418,448	52,051	1,582,932
June	05	68,769	0	7,933	191	9,960	50,685	59,727	30	724	51,409	991,678	47,645	1,245,033
July	05	51,134	0	4,366	161	7,351	39,256	45,195	31	566	39,822	545,747	40,361	918,872
August	05	39,822	319,739	3,755	141	6,696	348,969	194,396	31	2,435	351,405	469,353	35,293	836,988
September	05	351,405		3,816	147	6,989	340,452	345,928	30	4,194	344,646	477,020	36,733	873,685
October	05	344,646		5,016	164	7,626	331,839	338,243	31	4,237	336,077	627,033	40,916	953,307
November	05	336,077		11,855	162	13,522	310,538	323,307	30	3,920	314,458	1,645,615	51,019	1,690,198
December	05	314,458		18,842	118	20,370	275,128	294,793	31	3,693	278,821	3,140,303	59,088	2,546,200
January	06	276,565		23,827	134	25,972	226,632	251,598	31	3,152	229,783	3,971,205	66,766	3,246,542

**DEMAND SIDE MANAGEMENT
DEFERRED DEBIT - IMPLEMENTATION
ACCOUNT NUMBER 518241**

Schedule
Page 3 of 3

		Beginning	Reclass	Prior Period	Recovery by Rate Class			Loan	Ending	Monthly	# Of	Interest	End Bal	MMbtu's by Rate Class		
		Balance	Authoriz	Adjustment	Res Heat	Res Non Heat	C&I	Repayment	Balance	Average	Days	@ Prime	W/ Interest	Res Heat	Res Non Heat	C&I
Jan	05	(1,728,667)	575,710		384,580	130	255,423	0	(1,793,090)	(1,760,878)	31	(7,852)	(1,800,941)	4,006,068	64,869	3,317,183
Feb	05	(1,800,941)	87,130		444,592	133	291,001	0	(2,449,538)	(2,125,239)	28	(8,950)	(2,458,488)	4,631,191	66,416	3,779,230
Mar	05	(2,459,525)	422,012		364,831	120	246,887	0	(2,649,351)	(2,554,438)	31	(12,106)	(2,661,457)	3,800,346	60,036	3,206,330
Apr	05	(2,661,460)	636,624		254,405	121	190,314	0	(2,469,676)	(2,565,568)	30	(12,125)	(2,481,801)	2,650,072	60,270	2,471,611
May	05	(2,481,802)	88,559		104,675	104	110,597	0	(2,608,620)	(2,545,211)	31	(12,927)	(2,621,547)	1,418,448	52,051	1,582,932
Jun	05	(2,621,547)	322,866		42,642	95	62,252	0	(2,403,670)	(2,512,608)	30	(12,412)	(2,416,081)	991,678	47,645	1,245,033
Jul	05	(2,416,081)	219,172		23,467	81	45,944	0	(2,266,400)	(2,341,241)	31	(12,428)	(2,278,828)	545,747	40,361	918,872
Aug	05	(2,278,828)	312,573		20,182	71	41,849	0	(2,028,357)	(2,153,592)	31	(11,779)	(2,040,136)	469,353	35,293	836,988
Sep	05	(2,040,136)	146,830		20,512	73	43,684	0	(1,957,575)	(1,998,856)	30	(10,827)	(1,968,402)	477,020	36,733	873,685
Oct	05	(1,968,402)	370,723		26,962	82	47,668	0	(1,672,391)	(1,820,396)	31	(10,436)	(1,682,827)	627,033	40,916	953,307
Nov	05	(1,682,827)	277,541		104,808	145	120,182	0	(1,630,421)	(1,656,624)	30	(9,191)	(1,639,611)	1,645,615	51,019	1,690,198
Dec	05	(1,639,611)	515,139		298,328	236	328,460	0	(1,751,497)	(1,695,554)	31	(9,720)	(1,761,217)	3,140,303	59,088	2,546,200
Jan	06	(1,761,183)	410,990		377,264	267	418,804	0	(2,146,528)	(1,953,856)	31	(12,048)	(2,158,576)	3,971,205	66,766	3,246,542

BAY STATE GAS COMPANY
Environmental Remediation Reconciliation
For the period of January 2005 through January 2006

Section 10

Line No.	Month	Beginning Balance (1)	Sub 0000 Site Costs (2)	Sub 1000 Deferred Tax Benefit (3)	Sub 2000 Net Insurance Exp/Recoveries (4)	MMBtu Firm Sales & Transp (5)	Recovery Rate (6)	Sub 9000 Customer Recovery (7=5 x 6)	Acct 182.70 Ending Balance (8 =1+2+3+4-7)
1	January 2005	1,120,012		(90,285)		7,388,120	0.029	214,255	815,472
2	February	812,420		(77,061)		8,476,837	0.029	245,828	489,531
3	March	489,531		(67,847)		7,066,712	0.029	204,935	216,749
4	April	216,749		(44,149)		5,181,953	0.029	150,277	22,323
5	May (Winter)	22,323				2,018,259	0.029	58,530	(36,207)
6	May (Summer)	(36,207)	2,009,702	(23,661)		1,035,179	0.029	30,020	1,919,814
7	June	1,919,814		(16,468)		2,284,375	0.029	66,247	1,837,099
8	July	1,837,099		(17,108)		1,504,999	0.029	43,645	1,776,346
9	August	1,776,346		(15,591)		1,341,653	0.029	38,908	1,721,847
10	September	1,721,847		(18,579)		1,387,457	0.029	40,236	1,663,032
11	October	1,663,032		(34,090)		1,621,335	0.029	47,019	1,581,923
12	November (Summer)	1,581,923				2,259,273	0.029	65,519	1,516,404
13	November (Winter)	1,516,404		(53,341)		1,127,571	0.030	33,827	1,429,236
14	December	1,429,236		(78,354)		5,745,591	0.030	172,368	1,178,514
15	January 2006	1,178,514		(90,587)		7,284,512	0.030	218,535	869,392

Note:

The February 2005 beginning balance includes (\$5,466) transferred from the Off-Peak Interruptible Transportation and \$2,414 transferred from the Customer Choice Program.

BAY STATE GAS COMPANY
Interruptible Transportation Reconciliation Adjustment
For the Period January 2005 through January 2006

<u>Line No.</u>	<u>Month</u>	<u>Beginning Balance</u> (1)	<u>Passback Rate</u> (2)	<u>MMBtu Firm Sales & Transp.</u> (3)	<u>Customer Passback</u> (4)=(2*3)	<u>IT Margins 91.4498%</u> (5)	<u>Subtotal Balance</u> (6)=(1+4+5)	<u>Avg. Monthly Balance</u> (7)=(1+6)/2	<u>Interest Rate</u> (8)	<u>Days In Month</u> (9)	<u>Monthly Interest</u> (10)=(7*8*9)/365	<u>A/C 518226 Ending Balance</u> (11)=(6+10)
1	January 2005	(\$9,603)	\$0.000	0	\$0	\$0	(\$9,603)	(\$9,603)	5.25%	31	(\$43)	(\$9,646)
2	February	(\$9,646)	\$0.000	0	\$0	\$0	(\$9,646)	(\$9,646)	5.49%	28	(\$41)	(\$9,687)
3	March	(\$9,687)	\$0.000	0	\$0	\$0	(\$9,687)	(\$9,687)	5.58%	31	(\$46)	(\$9,733)
4	April	(\$9,733)	\$0.000	0	\$0	\$0	(\$9,733)	(\$9,733)	5.75%	30	(\$46)	(\$9,779)
5	May	(\$9,779)	\$0.000	0	\$0	\$0	(\$9,779)	(\$9,779)	5.98%	31	(\$50)	(\$9,829)
6	June	(\$9,829)				\$0	(\$9,829)	(\$9,829)	6.01%	30	(\$49)	(\$9,878)
7	July	(\$9,878)				\$0	(\$9,878)	(\$9,878)	6.25%	31	(\$52)	(\$9,930)
8	August	(\$9,930)				\$0	(\$9,930)	(\$9,930)	6.44%	31	(\$54)	(\$9,984)
9	September	(\$9,984)				\$0	(\$9,984)	(\$9,984)	6.59%	30	(\$54)	(\$10,038)
10	October	(\$10,038)				\$0	(\$10,038)	(\$10,038)	6.75%	31	(\$58)	(\$10,096)
11	November	(\$10,096)	\$0.000	0	\$0	\$0	(\$10,096)	(\$10,096)	7.00%	30	(\$58)	(\$10,154)
12	December	(\$10,154)	\$0.000	0	\$0	\$0	(\$10,154)	(\$10,154)	7.15%	31	(\$62)	(\$10,216)
13	January 2006	(\$10,216)	\$0.000	0	\$0	\$0	(\$10,216)	(\$10,216)	7.26%	31	(\$63)	(\$10,279)

BAY STATE GAS COMPANY
Interruptible Transportation Reconciliation Adjustment
For the Period January 2005 through January 2006

<u>Line No.</u>	<u>Month</u>	<u>Beginning</u>	<u>Passback</u>	<u>MMBtu</u>	<u>Customer</u>	<u>IT Margins</u>	<u>Subtotal</u>	<u>Avg. Monthly</u>	<u>Interest</u>	<u>Days In</u>	<u>Monthly</u>	<u>A/C 518227</u>
		<u>Balance</u>	<u>Rate</u>	<u>Firm Sales</u>							<u>Interest</u>	<u>Ending</u>
		(1)	(2)	(3)	(4)=(2*3)	(5)	(6)=(1+4+5)	(7)=(1+6)/2	(8)	(9)	(10)=(7*8*9)/365	(11)=(6+10)
1	January 2004	(\$5,210)				\$0	(\$5,210)	(\$5,210)	4.00%	31	(\$18)	(\$5,228)
2	February	(\$5,228)				\$0	(\$5,228)	(\$5,228)	4.00%	29	(\$17)	(\$5,245)
3	March	(\$5,245)				\$0	(\$5,245)	(\$5,245)	4.00%	31	(\$18)	(\$5,263)
4	April	(\$5,263)				\$0	(\$5,263)	(\$5,263)	4.00%	30	(\$17)	(\$5,280)
5	May	(\$5,280)	\$0.000	0	\$0	\$0	(\$5,280)	(\$5,280)	4.00%	31	(\$18)	(\$5,298)
6	June	(\$5,298)	\$0.000	0	\$0	\$0	(\$5,298)	(\$5,298)	4.00%	30	(\$17)	(\$5,315)
7	July	(\$5,315)	\$0.000	0	\$0	\$0	(\$5,315)	(\$5,315)	4.25%	31	(\$19)	(\$5,334)
8	August	(\$5,334)	\$0.000	0	\$0	\$0	(\$5,334)	(\$5,334)	4.43%	31	(\$20)	(\$5,354)
9	September	(\$5,354)	\$0.000	0	\$0	\$0	(\$5,354)	(\$5,354)	4.58%	30	(\$20)	(\$5,374)
10	October	(\$5,374)	\$0.000	0	\$0	\$0	(\$5,374)	(\$5,374)	4.75%	31	(\$22)	(\$5,396)
11	November	(\$5,396)				\$0	(\$5,396)	(\$5,396)	4.93%	30	(\$22)	(\$5,418)
12	December	(\$5,418)				\$0	(\$5,418)	(\$5,418)	5.15%	31	(\$24)	(\$5,442)
13	January 2005	(\$5,442)				\$0	(\$5,442)	(\$5,442)	5.25%	31	(\$24)	(\$5,466)
14	February	\$0	\$0.000	0	\$0	\$0	\$0	\$0	5.49%	28	\$0	\$0

Note:

Due to the small remaining amount, the balance was transferred to the Environmental Remediation Reconciliation (Section 10) beginning February 1, 2005

BAY STATE GAS COMPANY
Allocation of Interruptible Transportation Margins
For the Period May 2004 through April 2006

Section 11
Page 3

THRESHOLD \$0								
<u>Line No.</u>	<u>Month</u>	<u>Current Month Interruptible Transportation Revenue</u>	<u>Accumulated Revenue</u>	<u>Current Month Amount Over Threshold</u>	<u>75% Col. 3 Customer</u>	<u>Account 642200 25% Col. 3 Company</u>	<u>Account 649570 Total Customer Passback</u>	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	2004 - May	\$0	\$0	\$0	\$0		\$0	\$0
2	June	\$0	\$0	\$0	\$0		\$0	\$0
3	July	\$0	\$0	\$0	\$0		\$0	\$0
4	August	\$0	\$0	\$0	\$0		\$0	\$0
5	September	\$0	\$0	\$0	\$0		\$0	\$0
6	October	\$0	\$0	\$0	\$0		\$0	\$0
7	November	\$0	\$0	\$0	\$0		\$0	\$0
8	December	\$0	\$0	\$0	\$0		\$0	\$0
9	2005 - January	\$0	\$0	\$0	\$0		\$0	\$0
10	February	\$0	\$0	\$0	\$0		\$0	\$0
11	March	\$0	\$0	\$0	\$0		\$0	\$0
12	April	\$0	\$0	\$0	\$0		\$0	\$0
13	TOTAL	\$0						\$0

THRESHOLD \$0								
14	2005 - May	\$0	\$0	\$0	\$0		\$0	\$0
15	June	\$0	\$0	\$0	\$0		\$0	\$0
16	July	\$0	\$0	\$0	\$0		\$0	\$0
17	August	\$0	\$0	\$0	\$0		\$0	\$0
18	September	\$0	\$0	\$0	\$0		\$0	\$0
19	October	\$0	\$0	\$0	\$0		\$0	\$0
20	November	\$0	\$0	\$0	\$0		\$0	\$0
21	December	\$0	\$0	\$0	\$0		\$0	\$0
22	2006 - January	\$0	\$0	\$0	\$0		\$0	\$0
23	February (Est.)	\$0	\$0	\$0	\$0		\$0	\$0
24	March (Est.)	\$0	\$0	\$0	\$0		\$0	\$0
25	April (Est.)	\$0	\$0	\$0	\$0		\$0	\$0
26	TOTAL	\$0						\$0

ALLOCATION		
Peak	91.4498%	
Off-Peak	8.5502%	
Peak	\$0	
Off-Peak	\$0	
	\$0	

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period January 2005 through January 2006

Section 12

Page 1 of 4

<u>Line No.</u>	<u>Month</u>		<u>Beginning Balance</u> (1)	<u>Recovery Rate</u> (2)	<u>Firm & Trans Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous Revenue</u> (5)	<u>Ending Month Bal</u> (6) = (1)-(4)+(5)	<u>Average Month Bal</u> (7) = ((1)+(6))/2	<u>Interest Rate</u> (8)	<u># Days</u> (9)	<u>Monthly Interest</u> (10)=(7)* ((8)/365))*(9)	<u>Ending Bal Plus Interest</u> (11) = (6)+(10)
Residential Heating													
1	January	05 Act	1,800,023	0.036	4,006,045	144,218		1,655,805	1,727,914	5.25%	31	7,705	1,663,510
2	February	05 Act	1,663,510	0.036	4,631,172	166,722		1,496,788	1,580,149	5.49%	28	6,655	1,503,443
3	March	05 Act	1,503,443	0.036	3,800,327	136,812		1,366,631	1,435,037	5.58%	31	6,801	1,373,432
4	April	05 Act	1,373,432	0.036	2,650,053	95,402		1,278,030	1,325,731	5.75%	30	6,265	1,284,295
5	May (Winter)	05 Act	1,284,295	0.036	824,203	29,671			642,148				
6	May (Summer)	05 Act		0.054	594,234	32,089		1,222,535	1,253,415	5.98%	31	6,366	1,228,901
7	June	05 Act	1,228,901	0.054	991,678	53,551		1,175,351	1,202,126	6.01%	30	5,938	1,181,289
8	July	05 Act	1,181,289	0.054	545,747	29,470		1,151,818	1,166,554	6.25%	31	6,192	1,158,011
9	August	05 Act	1,158,011	0.054	469,353	25,345		1,132,666	1,145,338	6.44%	31	6,265	1,138,930
10	September	05 Act	1,138,930	0.054	477,020	25,759		1,113,171	1,126,051	6.59%	30	6,099	1,119,270
11	October	05 Act	1,119,270	0.054	627,033	33,860		1,085,411	1,102,340	6.75%	31	6,320	1,091,730
12	November (Summer)	05 Act	1,091,730	0.054	990,866	53,507							
13	November (Winter)	05 Act		0.055	654,742	36,011		1,002,213	1,046,971	7.00%	30	6,024	1,008,236
14	December	05 Act	1,008,236	0.055	3,140,295	172,716		835,520	921,878	7.15%	31	5,598	841,118
15	January	06 Act	841,118	0.055	3,971,205	218,416		622,702	731,910	7.26%	31	4,513	627,215

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period January 2005 through January 2006

Section 12

Page 2 of 4

<u>Line No.</u>	<u>Month</u>		<u>Beginning Balance</u> (1)	<u>Recovery Rate</u> (2)	<u>Firm & Trans Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous Factor</u> (5)	<u>Ending Month Bal</u> (6) = (1)-(4)+(5)	<u>Average Month Bal</u> (7) = ((1)+(6))/2	<u>Interest Rate</u> (8)	<u># Days</u> (9)	<u>Monthly Interest</u> (10)=(7)* ((8)/365))*(9)	<u>Ending Bal Plus Interest</u> (11) = (6)+(10)
<i>Residential Non-Heating</i>													
1	January	05 Act	85,217	0.118	64,869	7,655		77,562	81,390	5.25%	31	363	77,925
2	February	05 Act	77,925	0.118	66,416	7,837		70,088	74,007	5.49%	28	312	70,400
3	March	05 Act	70,400	0.118	60,036	7,084		63,316	66,858	5.58%	31	317	63,633
4	April	05 Act	63,633	0.118	60,270	7,112		56,521	60,077	5.75%	30	284	56,805
5	May (Winter)	05 Act	56,805	0.118	29,212	3,447							
6	May (Summer)	05 Act		0.102	22,839	2,330		51,028	53,916	5.98%	31	274	51,302
7	June	05 Act	51,302	0.102	47,645	4,860		46,442	48,872	6.01%	30	241	46,684
8	July	05 Act	46,684	0.102	40,361	4,117		42,567	44,625	6.25%	31	237	42,804
9	August	05 Act	42,804	0.102	35,293	3,600		39,204	41,004	6.44%	31	224	39,428
10	September	05 Act	39,428	0.102	36,733	3,747		35,681	37,555	6.59%	30	203	35,885
11	October	05 Act	35,885	0.102	40,916	4,173		31,711	33,798	6.75%	31	194	31,905
12	November (Summer)	05 Act	31,905	0.102	29,737	3,033							
13	November (Winter)	05 Act		0.072	21,282	1,532		27,340	29,622	7.00%	30	170	27,510
14	December	05 Act	27,510	0.072	59,088	4,254		23,256	25,383	7.15%	31	154	23,410
15	January	06 Act	23,410	0.072	66,749	4,806		18,604	21,007	7.26%	31	130	18,733

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period January 2005 through January 2006

Section 12

Page 3 of 4

<u>Line No.</u>	<u>Month</u>		<u>Beginning Balance</u> (1)	<u>Recovery Rate</u> (2)	<u>Firm & Trans Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous Factor</u> (5)	<u>Ending Month Bal</u> (6) = (1)-(4)+(5)	<u>Average Month Bal</u> (7) = ((1)+(6))/2	<u>Interest Rate</u> (8)	<u># Days</u> (9)	<u>Monthly Interest</u> (10) = (7)* ((8)/365))*(9)	<u>Ending Bal Plus Interest</u> (11) = (6)+(10)
<i>Commercial & Industrial (includes Multi-family)</i>													
1	January	05 Act	2,355,418	0.052	3,317,183	172,494		2,182,924	2,269,171	5.25%	31	10,118	2,193,043
2	February	05 Act	2,193,043	0.052	3,779,230	196,520		1,996,523	2,094,783	5.49%	28	8,822	2,005,345
3	March	05 Act	2,005,345	0.052	3,206,350	166,730		1,838,615	1,921,980	5.58%	31	9,109	1,847,723
4	April	05 Act	1,847,723	0.052	2,471,611	128,524		1,719,199	1,783,461	5.75%	30	8,429	1,727,628
5	May (Winter)	05 Act	1,727,628	0.052	1,164,833	60,571							
6	May (Summer)	05 Act		0.071	418,099	29,685		1,637,372	1,682,500	5.98%	31	8,545	1,645,917
7	June	05 Act	1,645,917	0.071	1,245,033	88,397		1,557,520	1,601,718	6.01%	30	7,912	1,565,432
8	July	05 Act	1,565,432	0.071	918,872	65,240		1,500,192	1,532,812	6.25%	31	8,137	1,508,328
9	August	05 Act	1,508,328	0.071	836,988	59,426		1,448,902	1,478,615	6.44%	31	8,087	1,456,990
10	September	05 Act	1,456,990	0.071	873,685	62,032		1,394,958	1,425,974	6.59%	30	7,724	1,402,682
11	October	05 Act	1,402,682	0.071	953,367	67,689		1,334,993	1,368,837	6.75%	31	7,847	1,342,840
12	November (Summer)	05 Act	1,342,840	0.071	1,238,658	87,945							
13	November (Winter)	05 Act		0.076	451,540	34,317		1,220,578	1,281,709	7.00%	30	7,374	1,227,952
14	December	05 Act	1,227,952	0.076	2,546,200	193,511		1,034,441	1,131,197	7.15%	31	6,869	1,041,311
15	January	06 Act	1,041,311	0.076	3,246,542	246,737		794,573	917,942	7.26%	31	5,660	800,233

BAY STATE GAS COMPANY
Exogenous Factor Reconciliation
For the Period January 2005 through January 2006

Section 12

Page 4 of 4

<u>Line No.</u>	<u>Month</u>		<u>Beginning Balance</u> (1)	<u>Recovery Rate</u> (2)	<u>Firm & Trans Sales</u> (3)	<u>Recoveries</u> (4) = (2)*(3)	<u>Exogenous Factor</u> (5)	<u>Ending Month Bal</u> (6) = (1)-(4)+(5)	<u>Average Month Bal</u> (7) = ((1)+(6))/2	<u>Interest Rate</u> (8)	<u># Days</u> (9)	<u>Monthly Interest</u> (10) = (7)* ((8)/365))*(9)	<u>Ending Bal Plus Interest</u> (11) = (6)+(10)
Total Exogenous Factor													
1	January	05 Act	4,240,658		7,388,097	324,366		3,916,292	4,078,475	5.25%	31	18,186	3,934,478
2	February	05 Act	3,934,478		8,476,818	371,079		3,563,399	3,748,938	5.49%	28	15,789	3,579,187
3	March	05 Act	3,579,187		7,066,713	310,626		3,268,561	3,423,874	5.58%	31	16,226	3,284,787
4	April	05 Act	3,284,787		5,181,934	231,038		3,053,750	3,169,269	5.75%	30	14,978	3,068,728
5	May (Winter)	05 Act	3,068,728		2,018,248	93,690							
6	May (Summer)	05 Act			1,035,172	64,103		2,910,935	2,989,832	5.98%	31	15,185	2,926,120
7	June	05 Act	2,926,120		2,284,356	146,808		2,779,313	2,852,716	6.01%	30	14,092	2,793,404
8	July	05 Act	2,793,404		1,504,980	98,827		2,694,577	2,743,991	6.25%	31	14,566	2,709,143
9	August	05 Act	2,709,143		1,341,634	88,371		2,620,772	2,664,957	6.44%	31	14,576	2,635,348
10	September	05 Act	2,635,348		1,387,438	91,537		2,543,811	2,589,579	6.59%	30	14,026	2,557,837
11	October	05 Act	2,557,837		1,621,316	105,722		2,452,115	2,504,976	6.75%	31	14,361	2,466,475
12	November (Summer)	05 Act	2,466,475		2,259,261	144,485							
13	November (Winter)	05 Act			1,127,564	71,860		2,250,130	2,358,303	7.00%	30	13,568	2,263,699
14	December	05 Act	2,263,699		5,745,583	370,482		1,893,217	2,078,458	7.15%	31	12,622	1,905,839
15	January	06 Act	1,905,839		7,284,495	469,959		1,435,879	1,670,859	7.26%	31	10,303	1,446,182

Bay State Gas Company
Pension/PBOP Expense Factor Reconciliation
For the Months of Decmber 2005 and January 2006

<u>Line No.</u>	<u>Date</u>	<u>Beginning Mth Bal.</u> (1)	<u>Expected Recovery</u> (2)	<u>Recovery Rate</u> (3)	<u>Actual Firm Sales & Transp.</u> (4) (MMBtu)	<u>Recoveries</u> (5) = (3*4)	<u>Special Contract Recoveries</u> (6)	<u>Ending Mth Bal.</u> (7)=(1+2+5+6)	<u>Average Mth Bal.</u> (8)=(1+7)/2	<u>Interest Rate</u> (9)	<u>No. of Days</u> (10)	<u>Monthly Interest</u> (11)= (8*9*10/365)	<u>Balance w/ Interest</u> (12)=(7+11)
1	Dec-05	\$0	\$813,285	\$0.1190	2,549,050	(\$303,337)	(\$10,450)	\$499,498	\$249,749	7.15%	31	\$1,517	\$501,015
2	Jan-06	\$501,015	\$939,429	\$0.1190	7,284,512	(\$866,857)	(\$4,000)	\$569,587	\$535,301	7.26%	31	\$3,301	\$572,888

BAY STATE GAS COMPANY
Residential Assistance Adjustment Factor
For the Period November 2005 through January 2006

<u>Line No.</u>	<u>Month</u>	<u>Year</u>		<u>Beginning Mth Balance</u> (1)	<u>Lost Revenue</u> (2)	<u>RAAF Adjustment Factor</u> (3)	<u>Firm Vol MMBtu</u> (4)	<u>RAAF Revenue</u> (5=3*4)	<u>Ending Mth Balance</u> (6=1+2-5)	<u>Average Mth Bal</u> (7=(1+6)/2)	<u>Interest Rate</u> (8)	<u>Monthly Interest</u> (9=(7*8)/12)	<u>Balance W/Interest</u> (10=6+9)
1	November	05	Act	-	133,898	-		-	133,898	66,949	7.00%	391	134,289
2	December	05	Act	134,289	201,772	0.0700	2,549,050	178,433	157,628	145,959	7.15%	870	158,498
3	January	06	Act	158,498	493,812	0.0700	7,284,512	509,916	142,394	150,446	7.26%	910	143,304

Note: For the period July through October 2005, the discount revenues did not exceed the baseline revenues.
Therefore, beginning balance as of November 1, 2005 is zero. See Section 14, page 2 of 2 for detail.

Bay State Gas Company
Residential Assistance Adjustment Factor
Estimated Lost Revenue Schedule
Per DTE 01-106
July 2005 through October 2005

	Actual <u>Jul-05</u> (1)	Actual <u>Aug-05</u> (2)	Actual <u>Sep-05</u> (3)	Actual <u>Oct-05</u> (4)	Total Jul-05 through <u>Oct-05</u> (4)	Actual <u>Nov-05</u> (5)	1/
1 Beginning Balance	\$ -	\$ -	\$ -	\$ -			
2 R4 Customers - SLP 30311-004	16,517	16,233	15,764	17,431		18,175	
3 Customer Charge Difference (\$/Cust)	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50		\$ 1.50	
4 Lost Revenue	\$ 24,776	\$ 24,350	\$ 23,646	\$ 26,147	\$ 98,919	\$ 27,263	
5 R4 Usage - Block 1	359,993	313,024	309,618	359,648		1,459,428	
6 Distribution Charge Difference (\$/Therm)	0.1074	0.1074	0.1074	0.1074		0.1753	
7 Lost Revenue	\$ 38,663	\$ 33,619	\$ 33,253	\$ 38,626	\$ 144,161	\$ 255,838	
8 R4 Usage - Block 2	198,384	42,352	33,067	283,117		531,606	
9 Distribution Charge Difference (\$/Therm)	0.0939	0.0939	0.0939	0.0939		0.1367	
10 Lost Revenue	\$ 18,628	\$ 3,977	\$ 3,105	\$ 26,585	\$ 52,295	\$ 72,671	
11 R2 Monthly Billed Customers - SLP 30311-006	1,391	1,405	1,399	1,480		2,355	
12 Customer Charge Difference (\$/Cust)	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49		\$ 1.49	
13 Lost Revenue	\$ 2,073	\$ 2,093	\$ 2,085	\$ 2,205	\$ 8,456	\$ 3,509	
14 R2 Usage - Block 1	11,015	10,515	10,697	10,697		22,399	
15 Distribution Charge Difference (\$/Therm)	0.1331	0.1331	0.1331	0.1331		0.1480	
16 Lost Revenue	\$ 1,466	\$ 1,400	\$ 1,424	\$ 1,424	\$ 5,714	\$ 3,315	
17 R2 Usage - Block 2	13,650	7,499	8,165	13,221		27,710	
18 Distribution Charge Difference (\$/Therm)	0.1154	0.1154	0.1154	0.1154		0.1362	
19 Lost Revenue	\$ 1,575	\$ 865	\$ 942	\$ 1,526	\$ 4,908	\$ 3,774	
20 R2 Bi-Monthly Billed Customers - SLP 30311-003	17	16	17	39		29	
21 Customer Charge Difference (\$/Cust)	\$ 2.98	\$ 2.98	\$ 2.98	\$ 2.98		\$ 2.98	
22 Lost Revenue	\$ 51	\$ 48	\$ 51	\$ 116	\$ 266	\$ 86	
23 R2 Usage - Block 1	284	274	258	115		458	
24 Distribution Charge Difference (\$/Therm)	0.1331	0.1331	0.1331	0.1331		0.1480	
25 Lost Revenue	\$ 38	\$ 36	\$ 34	\$ 15	\$ 123	\$ 68	
26 R2 Usage - Block 2	706	238	136	-		291	
27 Distribution Charge Difference (\$/Therm)	0.1154	0.1154	0.1154	0.1154		0.1362	
28 Lost Revenue	\$ 81	\$ 27	\$ 16	\$ -	\$ 124	\$ 40	
29 Total Lost Revenue (L4 + L7 + L10 + L13 + L16 + L19 + L22 + L25 + L28)	\$ 87,351	\$ 66,415	\$ 64,556	\$ 96,644	\$ 314,966	\$ 366,564	
30 Less Baseline Revenue	\$ 81,297	\$ 71,845	\$ 72,325	\$ 90,652	\$ 316,119	\$ 232,666	
31 Lost Revenue for Recovery	\$ 6,054	\$ (5,430)	\$ (7,769)	\$ 5,992	\$ (1,153)	\$ 133,898	

Note:

- 1/ November's amount, marked "Actual", in Bay State's compliance filing at D.T.E. 05-27 was actual "as billed" sales volumes for November and not for the calendar month. The amount also was not normalized. However, the amount included in Column 5 is actual November calendar sales normalized for weather. The increase in Lost Revenue is the result of the increase in customers moving to the Low Income Schedules.